



Regional Child Care Action Plan



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Executive Summary

Introduction

The East-Central Michigan Child Care Coalition (ECMI) was formed to address the regional child care crisis, synthesizing both existing and new research, fostering cross-sector collaboration, and developing strategic plans to meet the increasing demand for high-quality, affordable child care. This report provides an analysis of the current child care landscape across nine counties in East-Central Michigan and proposes actionable strategies to improve access and sustainability within the system.

Coalition Formation

The ECMI coalition consists of over 60 stakeholders from a range of sectors, including parents, child care businesses, economic and workforce development organizations, higher education institutions, and local government leaders. Using human-centered design principles, the coalition collaborated for over a year to identify key barriers, review data, and prioritize actions to expand access to child care services and support regional economic growth.

Child Care Landscape

The East-Central Michigan region faces a growing demand for child care, driven by economic shifts and changing demographics. Key industries, such as manufacturing and healthcare, require child care during non-traditional hours, yet this need is not met due to regulatory and operational barriers. An aging population and reduced birth rates further complicate the child care ecosystem, which is defined by limited supply and high costs. Many families are left relying on informal care arrangements due to the lack of licensed child care providers, particularly in rural areas.

Methodology

The ECMI coalition employed a mixed-methods approach, incorporating surveys, interviews, and desktop research to map the child care landscape, identify gaps, and understand the barriers families and providers face. Input was gathered from parents, child care businesses, and regional employers, providing both quantitative and qualitative insights. Data collection was challenged by frequent changes in child care policies and limited access to public data.

Key Findings

- **Insufficient Child Care Supply:** The region lacks adequate child care options, especially for non-traditional work hours. High operational costs, municipal regulations, and state policies restrict providers from expanding services.
- **Barriers to Child Care Access:** Families face difficulties accessing affordable, quality child care due to regulatory burdens, limited public funding, and inflexible scheduling. These issues are compounded by outdated information and complex systems that hinder access to care.
- **Inconsistent Funding and Support:** Child care providers face low reimbursement rates, high administrative burdens, and unpredictable funding. This limits their ability to sustain operations or compete with government-run programs.
- **Workforce Challenges:** Staffing shortages, low wages, and high turnover plague the child care industry, reducing the quality and availability of services. Providers struggle to attract and retain qualified staff due to low wages and challenging working conditions.
- **Regulatory and Policy Barriers:** Complex and overlapping municipal and state regulations make it difficult for child care businesses to operate sustainably. Zoning laws, licensing requirements, and inspection protocols are often duplicative and costly.
- **Lack of Recognition of Child Care as Infrastructure:** Child care is not widely recognized as essential infrastructure, leading to inadequate investment and support from both public and private sectors.

Strategic Recommendations

1. **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.
2. **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.
3. **Leverage Child Care Management Software:** Assist child care businesses in adopting management software to streamline operations and reduce administrative burdens.
4. **Advocate for Policy Change:** Work with policymakers to recognize child care as essential infrastructure, ensuring long-term funding and support for providers.

5. **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.

Conclusion

The child care crisis in East-Central Michigan reflects broader systemic issues that require coordinated action from all sectors. Implementing the recommended strategies will improve access to quality child care, support regional economic growth, and enhance community well-being. Recognizing child care as essential infrastructure and aligning both policy and funding with this understanding are critical to creating a more sustainable and equitable child care system.

Introduction

Purpose of the Report

The Middle Michigan Development Corporation (MMDC) received a planning grant to tackle the regional child care crisis through new research, coalition building, and a strategic action plan. Central to this work was forming a cross-sector coalition that represents the various stakeholder groups affected by the crisis. The main goal is to understand the local child care crisis and develop a regional action plan to provide high-quality, affordable child care.

Central to achieving this goal is an analysis of the structural and systemic factors contributing to the crisis, and understanding how this affects families, child care businesses, employers, and the wider community. This involves challenging long-standing assumptions and mindsets, such as the notion that "no one wants to work anymore."

The field of early childhood education is often mischaracterized as mere "daycare" or "babysitting." This outdated perspective overlooks the critical educational and developmental stages of early childhood and ignores the broader community impact when families cannot access essential services. When child care is unavailable, it affects the entire community and economy, from Wall Street to Main Street.

Although infrastructure investments generally receive bipartisan support due to their public benefits, early childhood education has often been overlooked as a high-value opportunity. This report aims to collect and synthesize a comprehensive landscape of data sources, program and policy history, and human stories from key stakeholder voices to provide accessible descriptions of complex systems and actionable opportunities for ongoing, strategic impact throughout the Great Lakes Bay Region.

Coalition Description

Central to understanding the complexity of the child care crisis in the Great Lakes Bay Region was the formation of the East-Central Michigan Child Care Coalition (ECMI), a cross-sector group of more than 60 community leaders. The coalition brought together a diverse range of voices, including parents, child care business owners (both home- and center-based), economic and workforce development organizations, municipalities, community foundations, early childhood professionals, higher education institutions, and employers. This group worked collaboratively for over a year, adhering to human-centered design principles to develop a shared understanding of the issues.

"They don't actually know the struggles that come with it. From a parent end or from operating a center. And I think that it's really important to get the input of the people who are there and are living it." - Parent Quote

Throughout this time, the ECMI reviewed and validated both quantitative and qualitative data from the field and key stakeholders. The goal was to prioritize strategic actions to address the shortage of local child care, which has caused workforce disengagement and negatively impacted local businesses and the economy. This process culminated in a root cause analysis and a strategic planning effort aimed at enhancing access to high-quality, affordable child care that meets the needs of both families and the broader community.

The coalition’s membership was unique because many members recognized their sector’s role in addressing the child care crisis. For instance, Hemlock Semiconductor was already supporting its employees through the Tri-share program, and city planners were aware of the challenges local zoning laws posed for child care businesses. This broad representation allowed the coalition to analyze complex regional data with a comprehensive, open-minded approach and develop meaningful recommendations.

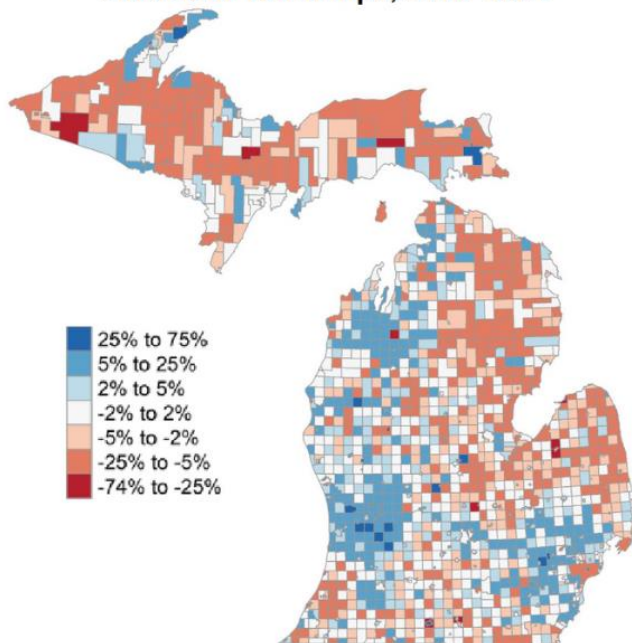
Initially, the ECMI operated in Arenac, Bay, Clare, Gladwin, Gratiot, Isabella, Midland, and Saginaw counties. In December 2023, the coalition expanded to include Osceola County, further increasing the diversity of voices at the table. While not all members could attend every meeting, many stayed engaged through email, social media, and individual conversations, ensuring continuity in the coalition’s work. See Appendix 1 for the complete roster.

Region Description

The East-Central Michigan Child Care Coalition’s region spanned 9 counties—Arenac, Bay, Clare, Gladwin, Gratiot, Isabella, Midland, Osceola, Saginaw—and approximately 4,898 square miles in an area of east-central lower Michigan.¹ The East-Central Michigan region is home to over 570,000 residents living in a blend of urban, suburban, and rural environments, with urban centers like Saginaw and Bay City, and suburban areas around Midland and Mount Pleasant.¹ The rest of the region, including counties like Arenac, Clare, and Gladwin, is primarily rural, characterized by low population density and small towns. ECMI is also a region experiencing significant population decline in recent state history (see the figure above).²

According to the U.S. Census Bureau, Arenac, Bay, and Saginaw Counties experienced the largest population

Percent Change in Population of Michigan’s Cities and Townships, 2010–2020



Source: 2010 and 2020 PL File, U.S. Census Bureau

declines in the region from 2000 to 2020 (spanning two decennial censuses). An existing initiative, the Great Lakes Bay Region Alliance (GLBRA), is presently addressing the population decline across the region with a focus on housing and child care as key solutions. The GLBRA hosted an Institute for Leaders in June 2024 and invited the ECMI to present the complex issue of child care to a cohort of leaders.

The regional child care system is complex and multifaceted. Licensed child care represents just a small part of the solution, as many families resort to informal care arrangements due to the inadequacies of the current early education infrastructure and broader economic issues such as rising costs and low household incomes. Licensed child care data, maintained by the State of Michigan's Department of Licensing and Regulatory Affairs (LARA) and Great Start to Quality (GSQ), offers insight into only a fraction of the child care options available. A large and essential part of the community relies on unlicensed, license-exempt, and relative care providers, who are vital for allowing families to work, attend school, and engage in community activities. Unfortunately, the state only tracks data for the small portion of this population that participates in the Child Development and Care Scholarship (CDC Scholarship).

The ECMI reviewed workforce data across its nine counties and identified healthcare and manufacturing as the dominant industries in the region. When workforce data was analyzed by gender, it was found that women primarily dominate the healthcare sector, while men are more prevalent in manufacturing, highlighting gender-based employment trends within these key industries. These industries are characterized by the need for second, third, overnight, and weekend shifts, reflecting the demand for around-the-clock services and production.

Workers in these industries, such as factory operators and healthcare providers, cannot perform their jobs remotely, making the availability of reliable, affordable child care essential. However, municipal restrictions combined with state regulations create significant challenges in securing care outside of standard business hours (9:00 am - 5:00 pm). Considering that even first-shift child care is neither affordable nor readily available to most families, substantial work and investment are needed to meet the needs of households with young children, as well as the employers and industries that rely on these workers.

Methods

Data Collection

Addressing a complex issue like the child care crisis in East-Central Michigan required a comprehensive, mixed-methods approach. This involved leveraging existing research, public data (both primary and secondary), and new data collection efforts. Below is a

summary of the research activities, focusing on stakeholder engagement, data limitations, and contextual factors.

Coalition Formation

There were a number of other child care initiatives underway in the region when this work started. Projects in [Arenac and Northern Bay](#)¹ as well as [Osceola County](#)² were included in the Rural Child Care Innovation Program and had child care needs assessments conducted in March of 2023. Members from those projects joined the ECMI. Child care business owners and residents with children from Arenac, Bay, Clare, Gladwin, Gratiot, Isabella, Midland, Osceola, and Saginaw Counties were engaged as coalition members through existing partner networks as well as surveys, interviews, and in-person events. Middle Michigan Development Corporation successfully recruited other economic development organizations (e.g., Saginaw Futures) as well as workforce development organizations (e.g., MiWorks). Other coalition members included representatives from Great Start to Quality, Intermediate School Districts, foundations, and municipalities.

Desktop Research

The initial phase of the research involved a comprehensive scan of public resources to provide the coalition with a foundational understanding of the child care landscape in East-Central Michigan. This early effort aimed to establish a broad overview of the existing child care environment, identifying key trends, challenges, and areas for further exploration. The desktop research was designed to synthesize information from various primary and secondary sources, including historical, cultural, scientific, economic, and governmental data, to contextualize the child care crisis within a broader framework. The goal was to synthesize existing knowledge and foster a shared understanding of the complexities with the coalition.

Baseline demographic data were gathered from sources like the U.S. Census¹ and economic projections from the University of Michigan's Institute for Quantitative Methods in Social Sciences ([The Economic and Demographic Outlook for Michigan Through 2050](#)).³ These data helped analyze trends such as the aging population, decreasing birth rates, migration patterns, and changes in household structures, all of which have implications for local child care infrastructure.

Information on child care was aggregated from public sources such as Great Start to Quality, Michigan Child Care Licensing, the Child Development and Care Program (now CDC Scholarship), Michigan Department of Education Office of Great Start, MSU Child Care Mapping, and the Michigan League for Public Policy. A complete list of references is available at the end of this report.

During the desktop research, several barriers were encountered, particularly regarding the availability of public data. Frequent issues included 404 errors (“page not found”) on State of Michigan web pages, likely due to ongoing restructuring of early childhood programs and the departments that manage them. As of August 2024, some pages, like the [State of Michigan’s Child Care Assistance page](#),⁶ still direct those in search of child care resources to [non-functioning web addresses](#).⁷ This not only hindered research but also suggests that parents, child care business owners, and the public might face similar difficulties in accessing crucial information.

The launch of the new [Child Care Hub Information Records Portal \(CCHIRP\)](#)⁸ portal in early 2024 further complicated matters, resulting in limited access to licensing reports and data for weeks, if not longer. Our data team reported these issues and assisted state administrators in assessing the problem's scope. At the time of reporting, only a small fraction of the expected records were accessible in the CCHIRP portal.

One of the most significant challenges was the inaccessibility of historical Great Start to Quality data, which was crucial for analyzing long-term child care supply trends such as capacity, program types, and closures. Data-Driven Decisions researchers were informed in the summer of 2023 that accessing this data would require a formal Data Sharing Agreement with the State of Michigan, with a timeline that significantly exceeded the project’s research phase.

A Freedom of Information Act (FOIA) request was separately submitted to obtain the historical GSQ data. In response to the FOIA request, the State of Michigan claimed the data does not exist. It is of the opinion of Data-Driven Decisions researchers that the inaccessibility of the historical GSQ data is problematic and significantly impacted the ability to describe long-term child care supply trends, which was a critical aspect of the project’s goals. Additionally, this limitation significantly impacted a strategic goal to engage former child care business owners regarding their business closures.

Surveys

The ECMI created and distributed online surveys using Google Forms to gather broad feedback from each of the target stakeholder groups: 1) parents in need of child care; 2) child care owners and directors; 3) child care staff; 4) local business leaders (employers); and 5) municipal leaders. As the research consultant and coalition facilitators, D3 worked with coalition members to develop, distribute, and market the surveys. Parent and child care business participants were provided monetary incentives (raffles for \$50 gift cards). Parents were recruited through the Great Start Parent Coalitions and broader public outreach efforts, including social media campaigns, community partner newsletters, and public announcements. Child care businesses were directly contacted via email and a postcard campaign featuring QR codes, targeting both owners/directors and lead/assistant teachers. Additional efforts to contact child care businesses were made through follow-up phone calls.

Surveys were collected during the Summer and Fall of 2023. Results were compared with the desktop research activity and presented to the ECMI coalition for further analysis and interpretation. Survey results were cross-referenced with desktop research findings and presented to the coalition for further analysis. The surveys also included open-ended questions to capture personal stories and stakeholder anecdotes that humanize the quantitative data. Responses were validated using information such as IP addresses, location data, and response patterns.

A total of 106 parents and families from East-Central Michigan completed the survey. The demographic breakdown showed that 81% of respondents identified as "White, Caucasian, or Euro-American" (n = 86), 12% as multi-racial (n = 13), 2% as "Black, African American, or Afro-Caribbean" (n = 2), 2% as "Asian or East Asian" (n = 2), 2% as "Native American, Alaska Native, American Indian, First Nations, or Indigenous" (n = 2), and 1% as "Native Hawaiian or other Pacific Islander" (n = 1). Respondents also provided household income data, with a median reported income of \$85,000 (ranging from \$2,000 to \$220,000). This was higher than the regional median (e.g., \$55,000 in Midland), suggesting a degree of relative affluence among the respondents. However, many families still reported incomes below the threshold needed for basic living expenses, such as a household of three in Midland County needing an estimated \$84,084 annually (see [MIT's Living Wage Calculator](#)).¹¹

A total of 42 child care business owners and directors responded to the survey, although no responses were received from businesses in Arenac or Osceola Counties. Among these respondents, 79% identified as "White, Caucasian, or Euro-American" (n = 33), 17% as "Black, African American, or Afro-Caribbean" (n = 7), and 1% as multi-racial (n = 1), with one respondent choosing not to self-identify. The median household income for this group was \$67,828, significantly lower than both the median for the county and the corresponding parent sample.

A total of 48 child care business workers participated in the ECMI staff survey. The majority of respondents, 75% (n = 36), identify as White, with smaller groups including 12.5% Latina/o/x (n = 6), 8.3% Multi-racial (n = 4), and 4.2% Black (n = 2). Additionally, reported household incomes among child care workers were significantly below the regional medians, with most households earning less than \$40,000 annually.

A total of 32 complete responses were collected from regional employers to explore the child care crisis from the business perspective. 28% of respondents identified as an employee subgroup (n = 9) whereas the remaining 72% identified as owners or executives and human resource managers (n = 23). Among the many industries represented in the responses, results were led by healthcare (n = 15), government (n = 4), and manufacturing (n = 4). Response patterns of subgroups were compared using available owner/management and employee/staff data.

A survey-based municipal assessment was conducted but only 3 responses were received. Additional feedback was collected through direct interviews with planners and administrators from regional municipalities. Coalition members from municipal roles reviewed an economic development organization tool developed by PULSE at the W.E. Upjohn Institute for Employment Research.

Data on Osceola county is also limited; the county was added to the coalition at the end of the year in 2023. While the coalition was able to recruit members to represent the county, efforts were made to reach out to Osceola parents, families, and business owners but the response was limited. Data from the work done by the Rural Child Care Innovation Program was used in some cases to try to fill in the gap.

During the grant period, many early care system partners, child care businesses, and parent representatives expressed a sense of being "surveyed and interviewed out." The sheer volume of surveys flooding their inboxes led to confusion and frustration. Many of these surveys were remarkably similar, not only in the questions they asked but also in their titles, which often made it difficult for participants to distinguish between different research initiatives. This confusion was evident during interviews when participants were unsure which survey they had completed when contacted by D3 staff to schedule follow-up interviews.

This overwhelming stream of requests for uncompensated personal and business data highlights a significant issue in the current approach to data collection in the early childhood field. Families and child care business owners, who are already managing busy schedules, were often offered only modest incentives, such as a \$25 gift card, to share their detailed lived experiences. This approach does not align with best practices in human-centered design and does little to foster genuine community engagement or buy-in.

The consequences of this approach were evident in the response rates for child care business owners. Although 42 child care business owners responded to the survey, there were more than 600 owners who did not respond to the request. This low participation rate is likely a direct result of the "survey fatigue" experienced by these stakeholders. During the interviews, those who did participate frequently expressed gratitude for "actually listening" to their concerns and experiences, which suggests that previous interactions had felt superficial or extractive. This feedback underscores the need for a more collaborative and respectful approach to engaging with families and child care businesses.

Interviews

The interview phase provided a valuable opportunity to deepen the qualitative aspects of the research by fostering a more nuanced understanding of child care experiences and themes across East-Central Michigan. By using a semi-structured interview format, the research team aimed to build rapport with participants, allowing for more in-depth discussions and the exploration of personal stories that could complement the quantitative data gathered from surveys.

Parents and child care business owners were initially recruited through the survey process, which included an option for respondents to indicate their interest in participating in a “paid forum” to share their experiences. Those who agreed were contacted to schedule interviews. Parents and child care business owners were compensated \$50 for their time (up to 2 hours). This incentive aimed to make participation accessible and valuable for stakeholders while ensuring that diverse voices were represented.

Due to logistical challenges and the need for flexibility, the original plan to conduct in-person interviews shifted to Zoom, which ultimately improved participation by overcoming geographical and time constraints. The team conducted interviews with 22 child care business stakeholders and 14 families. Interestingly, many participants expressed gratitude for being “actually listened to,” despite frequent requests from early childhood system partners to “hear” from these same groups on a near-monthly basis. This highlights the gap between requests for input and genuinely engaging with stakeholders.

The primary issue with securing child care business stakeholder interviews was their availability and level of “survey fatigue” resulting from an onslaught of unconnected requests for their participation in numerous, and frequently redundant, statewide surveys. Some reported that they did not complete our survey because they thought they already had.

In addition to interviews with parents and child care businesses, the research team conducted unstructured interviews with a range of other stakeholders. These included municipal leaders (such as city planners), employers (like Hemlock Semiconductor), and system leaders (including representatives from the Great Start Network). These interviews were conducted without compensation, focusing instead on gathering insights from key figures involved in shaping local child care policies and practices. The unstructured format allowed these stakeholders to freely express their views, share their experiences, and highlight systemic challenges from their unique perspectives.

Research Team

The D3 research team was composed of a diverse group of consultants with expertise in data science, human-centered design, and early childhood education. The data team, led by a senior data scientist and supported by a group of analysts, was responsible for overseeing the entire process of data collection, cleaning, integration, and analysis. Their role was to ensure that all data was accurately gathered and processed to provide reliable insights.

A human-centered design consultant co-led the project, focusing on engaging stakeholders throughout the research process. This approach aimed to ensure that stakeholder perspectives were effectively incorporated into both data collection and interpretation, which was critical for accurately framing the problem and identifying

strategic opportunities. By involving stakeholders in this way, the team aimed to align the project outcomes with community needs and objectives.

Additionally, the team included subject-matter experts in early childhood education, municipal contexts, and communications. These consultants provided specialized knowledge and guidance, helping to contextualize findings within the local environment and ensuring that the research addressed relevant issues and opportunities.

Defining Child Care Gaps

Historically dominant national values like individuality, self-sufficiency, and parental rights remain central to the mindset surrounding families' experiences with child care. These mindsets have unintentionally perpetuated policies, programs, and practices that place the burden of early childhood education solely on parents. As a result, the modern child care system often requires families to identify and afford child care options independently, rather than viewing child care as a necessary community infrastructure. This historical paradigm persists in mindsets, despite significant changes in societal structure (such as grandparents remaining in the workforce and extended families living apart to pursue employment opportunities).

The following subsections will address the history, landscape, and local stakeholder perspectives related to child care. Summary findings from desktop research, surveys, and interviews will be organized into separate subsections for each stakeholder group (e.g., Parents and Families, Child Care Business Owners). Stakeholder quotes are interspersed throughout the following sections to provide humanizing stories that exemplify the broader research findings related to the child care crisis.

Perennial Problems

The child care challenges we face today echo those documented decades ago. In 2000, Penn State University's Social Science Research Institute published their first [Michigan Family Impact Seminar Briefing](#).¹² At that time the median hourly wage of child care workers was \$6.85. There were 4,800 licensed centers and 15,800 licensed and registered home child care businesses (now defined as "licensed family homes" and "licensed group homes"). These facilities could only serve 80% of children in need if operating at full capacity. Three key quotes from that report summarize the core issues we still face a quarter century later:

Care Availability: "Shortages of care are particularly pronounced in the areas of infant care, care for children with special needs, and care in the evening or at odd hours. The average cost of full time child care in Michigan is \$5,005 per year, a cost that exceeds the budgets of many families; yet, more than 40% of

the 163,000 Michigan families eligible for child care subsidies are not using them.”

Cost Burden: “The burden of child care costs is particularly pronounced for low-income families. One national study found that children living near poverty actually receive lower quality child care than children in poverty, presumably because they do not qualify for child care subsidies.”

Workforce Engagement: “Furthermore, families with dependable child care are more likely to have stable employment experiences. Disturbances in child care can cause parents to miss work or leave their jobs. Brandon, who combined the results of several large surveys, found that about half of parents reported that an absence of child care had reduced their job performance. Brandon also found that 30 percent of parents were ‘very worried’ and 15 percent were ‘somewhat worried’ about having adequate child care when they went to work.”

Recent studies about the views and experiences of Michigan parents, such as [“Building a Better Child Care System”](#) (Michigan Department of Education Office of Great Start),⁹ [“The Cost of Early Care and Education Programs is Out of Reach for Many Michigan Families”](#) (University of Michigan),¹⁰ or [“The Child Development and Care Subsidy: Challenges and Opportunities”](#) (University of Michigan),¹¹ produced similar results. These reports suggest that early childhood interventions are not only beneficial for public health and well-being but also represent sound financial investments. Current goals, from the federal level down, emphasize the critical importance of investing in infrastructure—with child care being front and center as a strategic opportunity.

Perhaps it will come as no surprise that the United States nearly enacted universal child care more than half a century ago:

In 1971, Congress passed the Comprehensive Child Development Act on a bipartisan vote. Co-sponsored by Minnesota Senator Walter Mondale and Indiana Representative John Brademas, the act established a network of nationally funded, locally administered, comprehensive child care centers, which were to provide quality education, nutrition, and medical services. Mondale viewed the measure as a first step toward universal childcare. Wanting “to avoid typing it as a poor person’s program,” Mondale later explained, the centers were to be open to all on a sliding scale basis. Congress authorized real money for the program—in today’s dollars, the equivalent of five times the 2012 federal budget for Head Start.

But President Richard Nixon vetoed it. Declaring the Comprehensive Child Development Act to be “a long leap into the dark,” Nixon ominously warned that it would “commit the vast moral authority of the National Government to the side of communal approaches to child rearing over against the family-centered approach.” [The New Republic, 2013](#)⁽¹²⁾

The core issue seems to be a lack of shared understanding of the complex problem, leading to uncoordinated, simplistic solutions that make sense in isolation but fail to

effectively address the multi-layered policy and implementation challenge. This historical perspective teaches us that simple solutions are insufficient to solve the complex problems we face related to child care. However, current inclusive design practices present an opportunity to shift mindsets from one of scarcity and individual responsibility to a community-focused approach that invests in infrastructure, public health, and economic growth to the broader community of stakeholders.

Landscape Analysis

East-Central Michigan has experienced a long-term trend of depopulation as well as a “graying” of the population which means that the region depends more and more on migrating populations to sustain its current economy; inversely, this also means that more and more of the decision-making population is growing further and further removed from the modern realities faced by modern households with young children.

One significant factor contributing to the child care crisis is the high number of single-parent households. In Saginaw and Bay Counties, 43% of households with young children are headed by single parents, underscoring the critical need for adequate child care infrastructure to support workforce participation ([FRED reference](#)).¹³ Workforce data was used to understand the unique demands of both family and employer perspectives across the region.

Significant gender disparities exist regarding how child care responsibilities are managed in two-parent households. When faced with the decision of “Who stays home?” data suggest that four out of five times, it is the mother who disengages from the workforce to provide care. This undesired exit from a career path was necessary to make ends meet but can cause lifelong consequences for women's careers.

Child Care Access

It is [a known issue that the State of Michigan’s data around early childhood is challenging to access](#)⁽¹⁵⁾ and that there needs to be intentional work done to develop a “culture of data use--and the data systems to support it.” License-exempt child care providers are particularly challenging to access data about; and the criminalization of offering child care without being licensed means it is close to impossible to reach child care providers who are not licensed or registered as they operate underground to avoid penalties. It is well documented across the country that friend, family, and neighbor child care providers (who are not licensed) provide the majority of child care. The inability to access this group creates a serious limitation in Michigan.

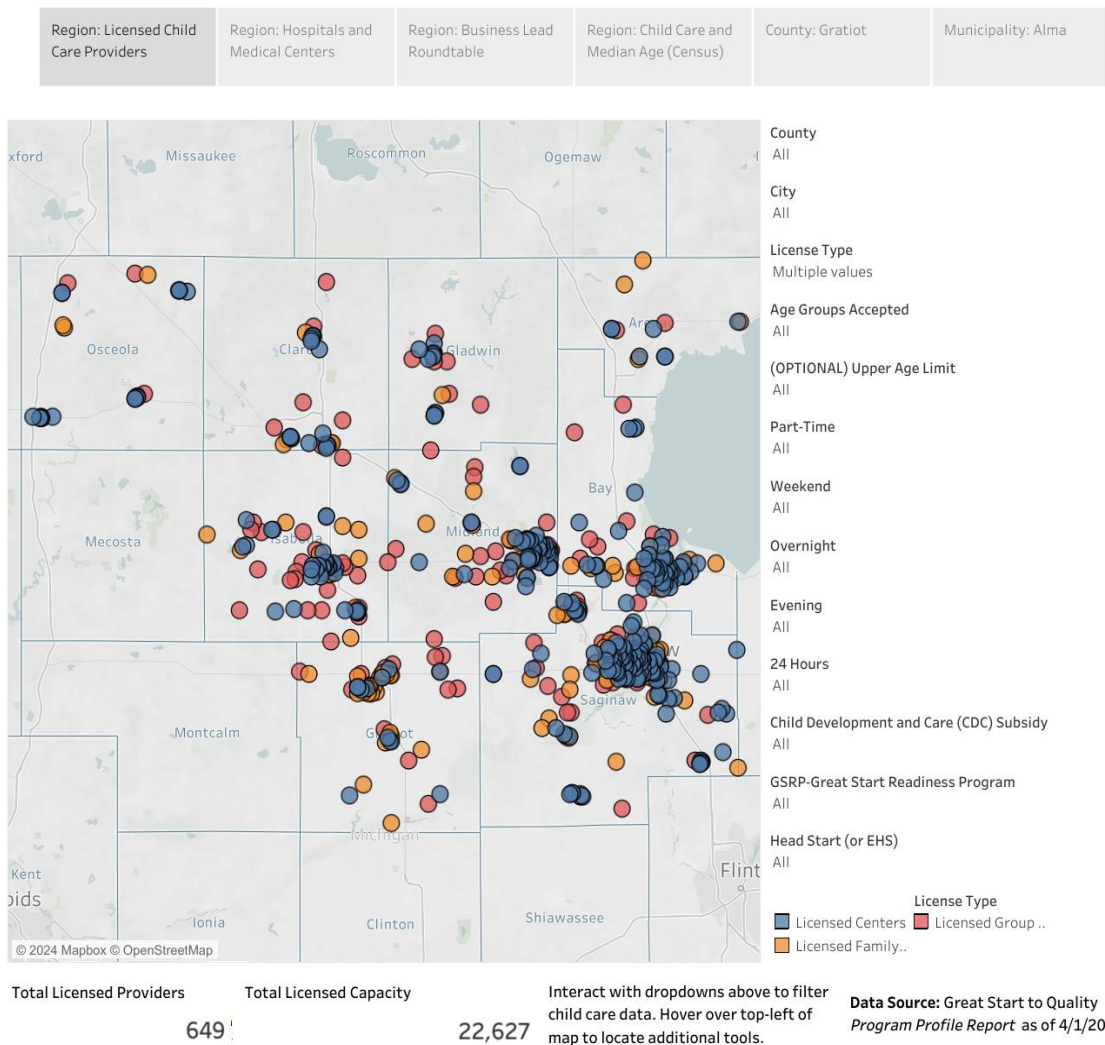
To better understand the child care landscape, D3 developed an interactive tool that visualizes data from Great Start to Quality, covering all licensed child care businesses in the region. This tool is publicly accessible and provides detailed geographical insights into the availability of child care services (see the figure below or [click this link to access the cloud-based geomaps](#)).¹⁴

Healthcare Centers

Featured in the second tab of the mapping tool described above are the local healthcare facilities (displayed as large yellow circles) that operate at all hours and constitute not only one of East-Central Michigan’s largest industries but also a workforce that is primarily women—the very parent most often pulled out of the workforce to resolve a family’s unmet child care needs.

“I care about child care and I care about what happens to the children in our community. I'm in Michigan and I care about what happens to our community and the families in our communities in Michigan.” - ECMI child care business owner

East-Central Michigan Child Care Coalition: ECE Landscape



Undesired exits from healthcare careers due to child care compound an existing staffing shortage in healthcare. They also exemplify how a deficiency in one essential local infrastructure, such as child care, can compound the problems facing other essential infrastructure like access to healthcare workforce.

Child Development and Care (CDC) Scholarship

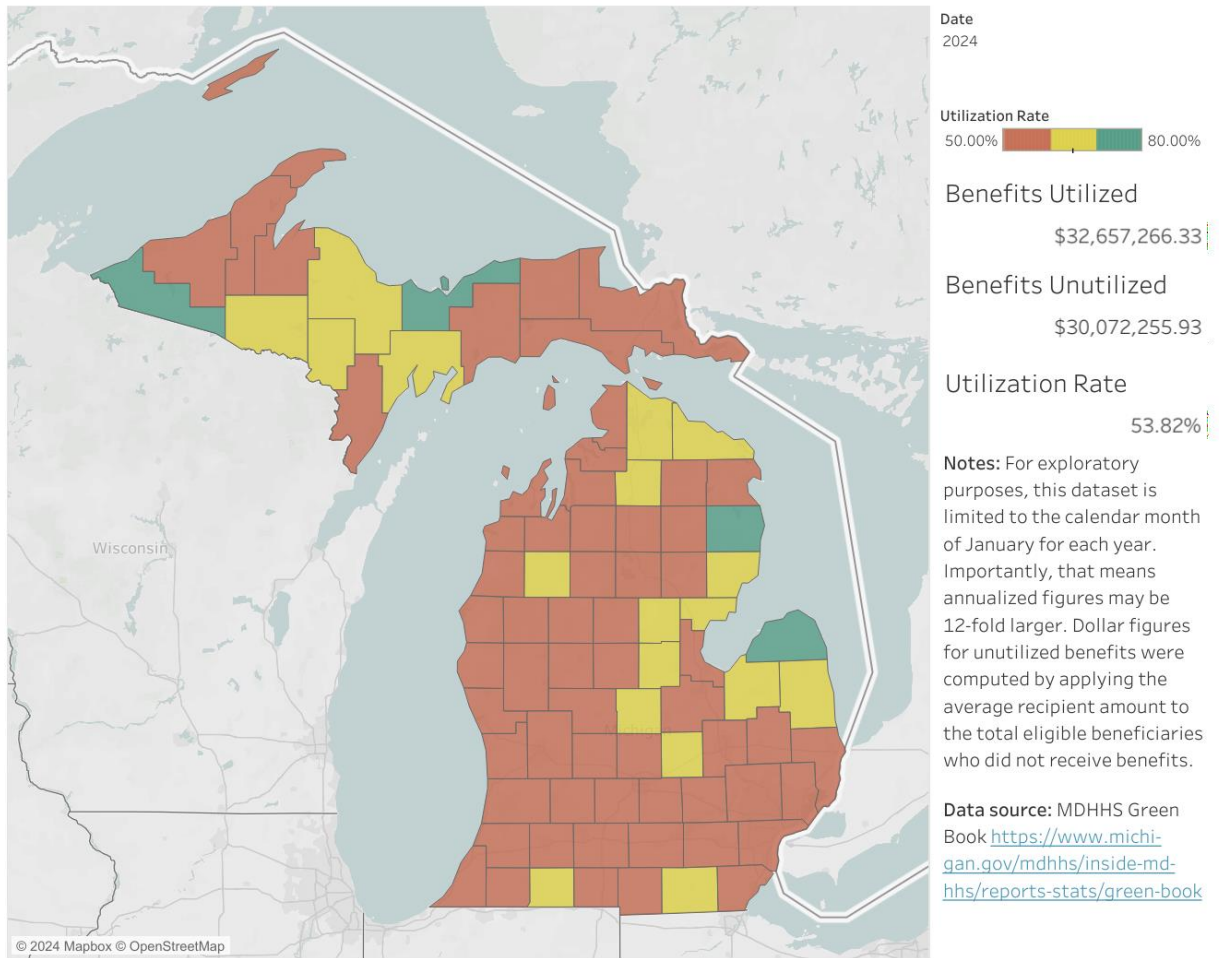
The ECMI spent significant time reviewing CDC Scholarship program history and administrative data as opportunities for high-impact action strategies. Deep exploration of related primary and secondary sources were evaluated. MDHHS Green Book reports were compiled for timepoints spanning 2009 through 2024 in order to more effectively describe the program history in terms of eligible families, utilization rates, and related dollar amounts.

The figure below shows a preview of a separate interactive data tool that D3 developed for this work that references statewide as well as regional and county-level CDC Scholarship utilization of benefits (and calculated estimates of unused benefits) from 2009 through 2024 ([click this link to access the cloud-based geomaps](#)).¹⁰

As shown by the color-coded utilization rates, multiple counties in the region are documented as red (along with the majority of Michigan counties) which denotes CDC Scholarship utilization rates near or below 50% among approved, eligible recipients. Isabella County had the lowest rate of benefit utilization (48%) whereas Gladwin County had the highest rate (66%). The data pictured is from the beginning of calendar year 2024 and documents a statewide CDC Scholarship utilization rate of 53.82%. An estimated \$2.1 million in approved CDC Scholarship benefits is lost on a monthly basis across the 9-county region (the monthly figure is over \$30 million statewide; see the figure below which includes statewide metrics to the right of the map). Saginaw County alone loses an estimated \$1.1 million monthly from approved but unused CDC Scholarship benefits.

CDC Scholarship: Program Utilization from 2009 to 2024

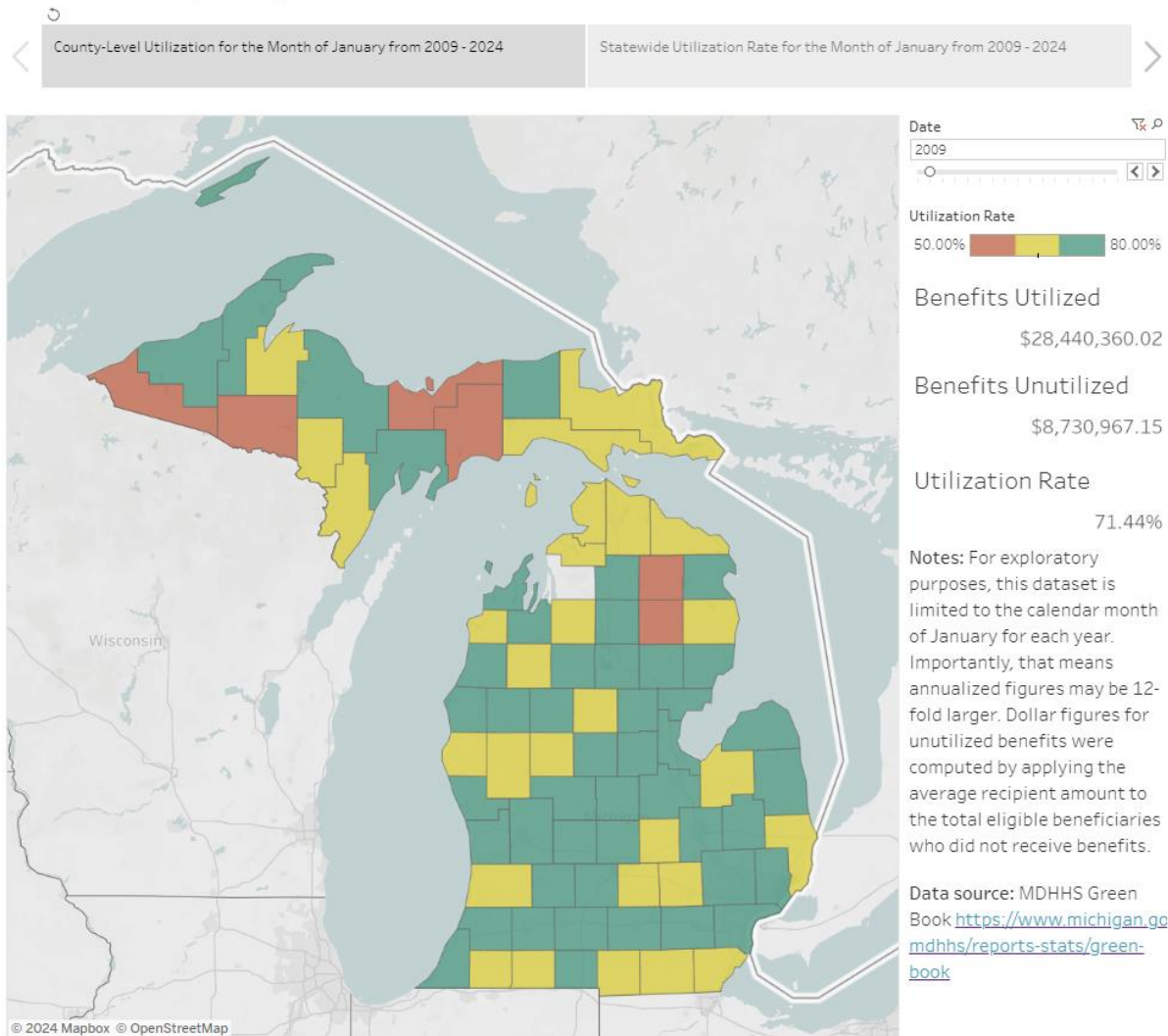
County-Level Utilization for the Month of January from 2009 - 2024 Statewide Utilization Rate for the Month of January from 2009 - 2024



Looking back to data from 2009, we see a shockingly different picture. A statewide utilization rate of 71.44% and only six counties below 60% utilization. 49% was the 2009 statewide low in terms of county-level utilization rates. At the time, Clare County had the lowest regional utilization rate of 69% (221 children served from 322 eligible).

In January 2009, Clare County only saw \$22,842.16 of CDC Scholarship left unutilized each month. See the figure below which includes corresponding 2009 statewide metrics to the right of the map.

CDC Scholarship: Program Utilization from 2009 to 2024



An annualized estimate of approved but unused CDC Scholarship benefits may reasonably exceed \$25 million for the 9 counties constituting East-Central Michigan—a sizable figure when understood as much needed child care infrastructure funding. Such funding would provide deep ongoing benefits to local child care infrastructure and the broader communities, businesses, and economies that depend on it. Additional CDC Scholarship revenue entering ECMI also means that thousands of parents are free to rejoin the workforce and resume their professions and careers. Beyond the economics, significant quality of life impacts could result for the children and families able to access child care.

Community Outreach Efforts

Community engagement and representation in this report was one of the top priorities for the ECMI. Members of the coalition had no doubt as to whether or not there was a child care crisis or that community members were experiencing it. What was desired in

this landscape analysis was the voices of this directly impacted and the expansion of understanding of *who the crisis impacted and whose responsibility it was to resolve it*.

To maximize community engagement a two pronged approach was taken.

- 1) Surveying and interviewing families, child care business owners, and child care workers about the impact of the crisis was prioritized and took place over the Summer and Fall of 2023.
- 2) Presentations by D3 and coalition members at community events, network meetings, and in ad hoc meetings with interested organizations, developers, business leaders, and community foundations were conducted throughout the duration of the grant.

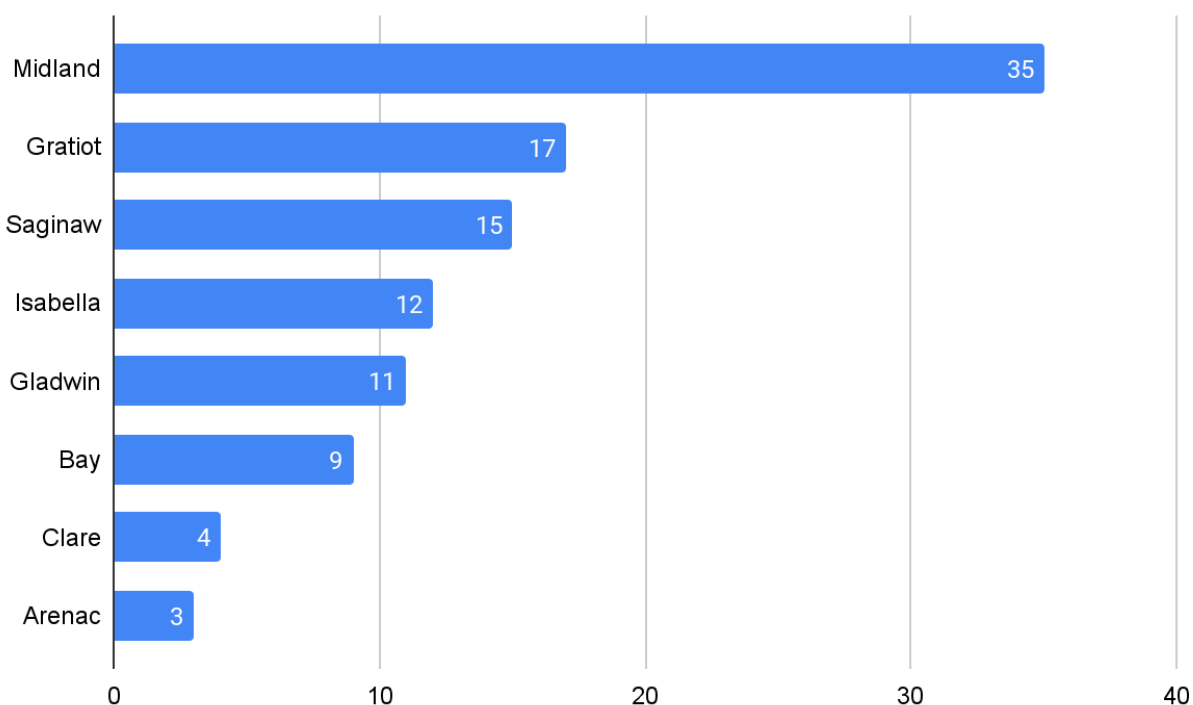
D3 representatives attended events in the region to build community awareness of the coalition and gather community insights to inform the ECMI. Surveys distributed during these events were intentionally kept brief to accommodate the needs of participants, many of whom were parents attending with their children, making lengthy surveys impractical. Below is a list of some of the organizations and events directly attended by D3 for the purposes of sharing coalition work and engaging stakeholders.

- Isabella Commission on Aging
- Great Lakes Bay Region Workforce Housing Summit
- Great Lakes Bay Region Ambassador Summit
- Gladwin County Chamber & Community
- Great Lakes Bay Region Operation 40k
- Special Olympics in Mt. Pleasant
- Gratiot/Isabella Great Start Collaborative Meeting
- Great Lakes Bay Region Apprenticeship Development
- Business Leader Roundtable Event (coalition sponsored)
- Saginaw PAC Block Party
- Touch-a-Truck at North Midland Family Center
- Building Blocks Child Care onsite visit and meeting w/ Saginaw Mayor
- Gratiot Young Professionals Meeting
- Halloween Carnival Event

The reach and impact of the coalition work was exponentially increased by active coalition members who took action within their networks and leadership roles. Marketing took place on social media as well, and through personal asks between coalition members and their networks. D3 allowed the coalition to leverage their social media pages to market the work and support engagement. Social media marketing materials and messaging were provided to coalition members to use on their own and sharing of posts was encouraged to support algorithmic spreading of the opportunities.

Parents and Families

A total of 106 validated responses were collected from families across East-Central Michigan, with Midland County providing the most engagement (about one-third of the responses; n = 35). The late addition of Osceola meant that survey data was not available for that county. See the figure below for a comparison of parent participation by county (not including Osceola).

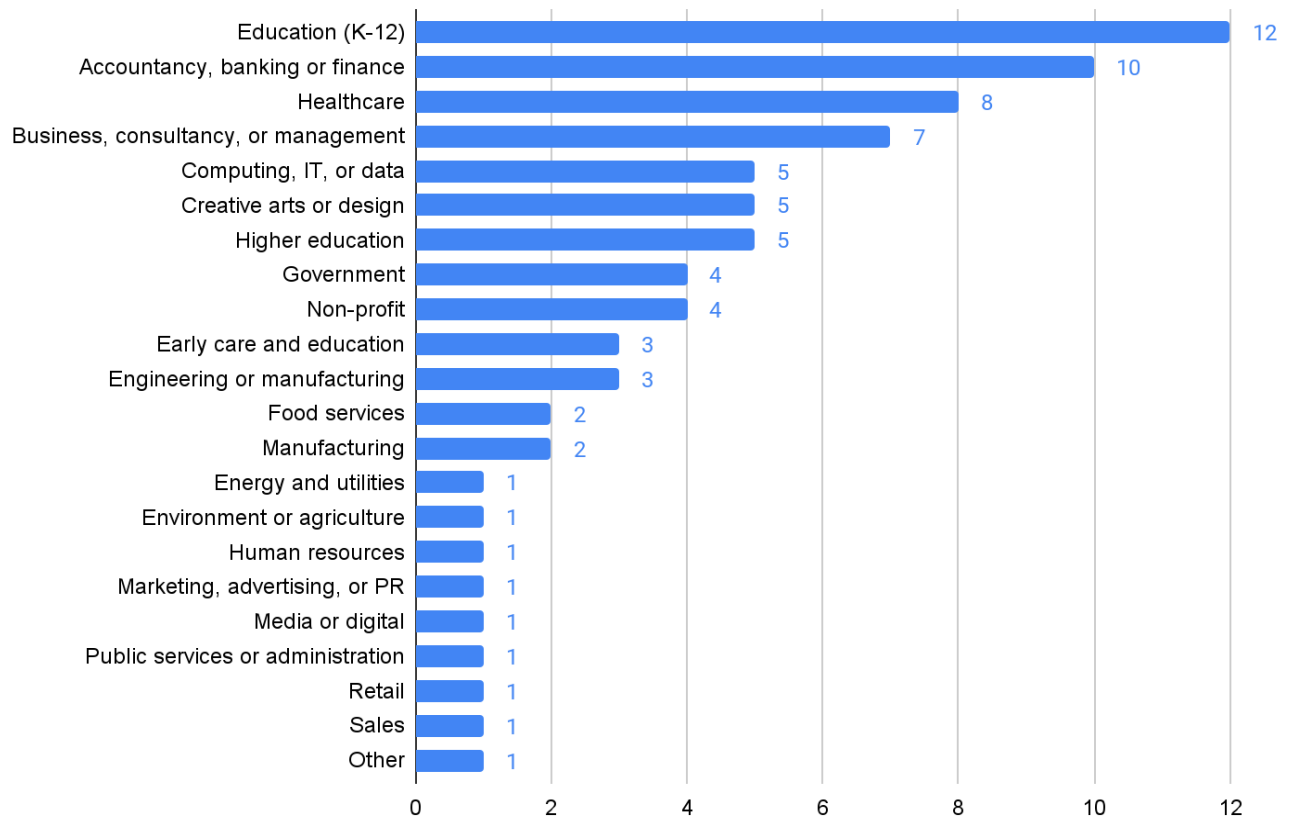


Parents were asked to self-identify how they'd describe their community. The majority of parent respondents (53%, n = 56) reported living in a small city or town. Living in a rural area was the next most common situation (24%, n = 25), followed by living in a large city (13%, n = 14), and living in a suburb near a large city (10%, n = 11). In addition to the demographic information described in the methods above, the overwhelming majority of parents identified English as the language spoken at home; however, Spanish, French, Cantonese, Sign Language, and Haitian Creole were each reported once.

Parents were also asked to indicate the number of people of each age range in the home, other than themselves. 105 respondents reported an average household size greater than 4 people with household members from the following age groups: 38% infants (n = 40), 37% toddlers (n = 39), 42% preschoolers (n = 44), 53% school aged children (n = 56), 14% teenagers (n = 15), and 66% other adults (n = 69). The number of the adults in the household suggests that there are either multi-family homes, multi-generational homes, or families with adult children living at home. Parent respondents also included 16 foster families, 14 of which (88%) were currently fostering.

The majority (72%, n = 76) of our respondents were working full-time, some were working part-time (15%, n = 16), while others were stay-at-home caregivers (8%, n = 8), with the remainder reported attending school only or being unemployed. Of those that reported current employment, 58 had salaries, 22 were hourly, and the remainder were gig workers and self-employed.

Numerous sectors of the economy and workforce were represented with the top three being education, finance, and healthcare. Together, these three sectors comprised 38% of the responses (30 of 79). Educational services accounted for 15% of the total responses, followed by Finance services with 13%, and healthcare with 10%.



Child Care Needs and Preferences

Preferences about early care and education were collected through both surveys and interviews. The findings were consistent across methods: licensed child care is a significant financial burden, is often unavailable outside traditional hours of 7:00 am - 6:00 pm, and is often unavailable in preferred locations. Parents report that these factors contribute to work-related issues like tardiness, absenteeism, and even decisions to forgo promotions or leave the workforce entirely.

Finding Care

The East-Central Michigan Child Care Coalition's region covers areas served by multiple Great Start to Quality Resource Centers (GSQ-RC). The role of the GSQ Resource Centers, in addition to supporting child care business owners, is to support families to leverage Great Start to Quality, a website where the public can search all currently licensed child care options.

“I think that there are a lot of issues that need to be resolved in child care, accessibility, affordability.”

Currently, there is no 1:1 referral system for families. There is a website for Great Start to Quality where families can search a database of licensed child care businesses. The results available on this website are not always up-to-date with information about openings or waitlists, the cost of care, or the philosophy and practices of the program unless the child care business owner chooses to update this information. Representatives from Great Start to Quality were also members of the coalition and confirmed that their work is focused on supporting child care business owners and workers. When they are contacted by families seeking child care referrals they are directed to GreatStartToQuality.org.

“I've been searching since I became pregnant for [child care] options.”

Survey respondents were asked to share what their scheduling needs were for child care. While the majority needed full-time care (56%), it was also incredibly common to need flexible scheduling for care (38%), something very rarely found in licensed settings. Part-time care was endorsed less with 26% of the responses. Critically, one-third of respondents reported *not having a consistent schedule* (31%, n = 33) which entails significant burdens in terms of piecing together child care solutions.

“We currently have 3 different people doing child care across 4 days.”

Daytime child care during the typical work week dominated care needs when compared to weekend and seasonal/temporary care. 26% needed evening care; 8% needed overnights; less than 14% reported needing weekend care; 25% needed Summer care; and 25% needed care during school vacations and closures. For many, it is not simply just a matter of finding a spot but rather one that meets their family's needs.

“It was kind of surprising that there isn't a one catch-all resource that you can go to that says, ‘Hey, you know these are all the providers in your area, and these are the different services that they provide. [But] a lot of it is just by word of mouth, you know. Friends, family.’”

The Availability of Early Care and Education Programs in Michigan is Very Limited

There are not enough early care and education slots available for Michigan children.

Finding available early care and education slots across the state of Michigan is difficult.

Even though the state has **over 8,000 licensed providers**



Those businesses can **serve fewer than half**



of the families that may need early care and education slots across the state.



Finding early care and education programs is especially difficult for **families of infants and toddlers; families working during non-school hours; or families living in rural and/or lower income communities.**



In our interviews, we asked families to share how they found their current child care arrangement. Many families are leveraging social media, word of mouth, and referrals from friends to find possibilities.

“Found [child care] on Facebook, and a lot of my friends have found child care that way too.”

“I actually worked with her daughter at the Casino. So I knew her daughter. I knew that her mom and an aunt both did child care, and so on. The need came up. I contacted her and I followed a county child care page so I've been on that quite a bit. And [my] coworker's mom posted that she had an opening so I got a hold of her that way.”

“For the triplets we've only done in-home care just because it's impossible right now to find a place for 3 babies. In our area there's only two daycare centers. And then there's not even enough in-home care facilities to account for all of the children in our area that need access to child care and so finding a place for 3 babies at one time is challenging, as I'm sure you can imagine.”

The Great Start to Quality search portal has its limitations, including restricting the number of searches a user can perform without creating an account. Users must input a city or zip code to search for care, with no option to view a map of businesses across multiple locations, which is not ideal for commuting families. The system search results

also default to being sorted by quality status, as opposed to being sorted by a variable related access such as distance, cost, or number of openings.

Additionally, the data on this website is updated by child care businesses when (and if) they have the time. Therefore, available information is often outdated. Which means there is no public access to current information on what spots are actually available at any given time. Julie Bash, the Eastern Great Start to Quality Resource Center Director has taken it upon herself to try to resolve this issue. On a monthly basis child care business owners are offered the opportunity to complete the survey to report currently available slots by age group and shift. Bash then manually transfers this info into a PDF that is publicly shared on social media and by partner organizations.

This process is simple for child care business owners, they complete a survey and then get free advertising. It would be worth exploring what could be done to make the updating of a Great Start to Quality profile easier which could encourage child care businesses to maintain their program's information on their public profile. Note that GSQ profiles do not have a unique URL, which means that there is no way for a program to share their profile via social media or their website.

The top search result in GSQ, using city identifiers were as follows:

- Saginaw, Saginaw County: 1/12/2021
- Bay City, Bay County: 11/5/2020
- Midland, Midland: 4/8/2024
- Standish, Arenac: 9/17/2023
- Harrison, Clare : 8/13/2024
- Gladwin, Gladwin: 11/28/2023
- Alma, Gratiot: 10/22/2019
- Reed City, Osceola: 10/22/2019
- Mount Pleasant, Isabella: 6/10/2024

It will be interesting to see how Michigan's Infant and Toddler Pilot impacts this; one of the requirements of participating in the pilot is to report availability in real-time via text message. This reporting is set to go state-wide in the future according to a ECSN representative, however, it remains to be seen whether this will become a statewide requirement.

Given the early childhood system's reliance on this search portal as the go-to-resource for families it may be worthwhile to research how well users understand the tool and how it might be improved to function more like other search engines. For instance, the "Consumer Ed" tab contains valuable information, including checklists for evaluating child care settings, but it is unclear how frequently families use these resources.

Being able to find care options that fit scheduling needs also came up consistently in our interviews.

“I did not find a center that is able to [accommodate my 12 hour shift schedule]. I am at a home daycare right now, which luckily they have been a heaven send, besides the fact that I'm driving a million miles every day, but they are 24 hour care.”

“I actually decided to apply and work for a daycare and I'm thankful that they were able to take my son as well. So he gets to come to the daycare that I work at, I work in a different room than him.”

“So he goes to daycare 3 days a week, and then either his dad or older siblings help out for the night shifts. I have tried to look into night care, and it doesn't really exist... People don't want to give up their nights and weekends.”

“The unfortunate thing with [previous center] was the hours were 7:45 until 2:45. So that didn't really work with a functioning work schedule and I had to pull her out of that. If I were able to have had those hours adjusted I would have definitely left her in because it was perfect...”

“Something that opens at 5 in the morning until 6:30 at night would be great. More open availability. If we could find some that are open on the weekends that would be great.”

Family members covering shifts was commonly reported, with folks using grandparents and others in the area to help when formal care wasn't a possibility or a preference. For those who were not close to family, the isolation was challenging, especially when a child became ill.

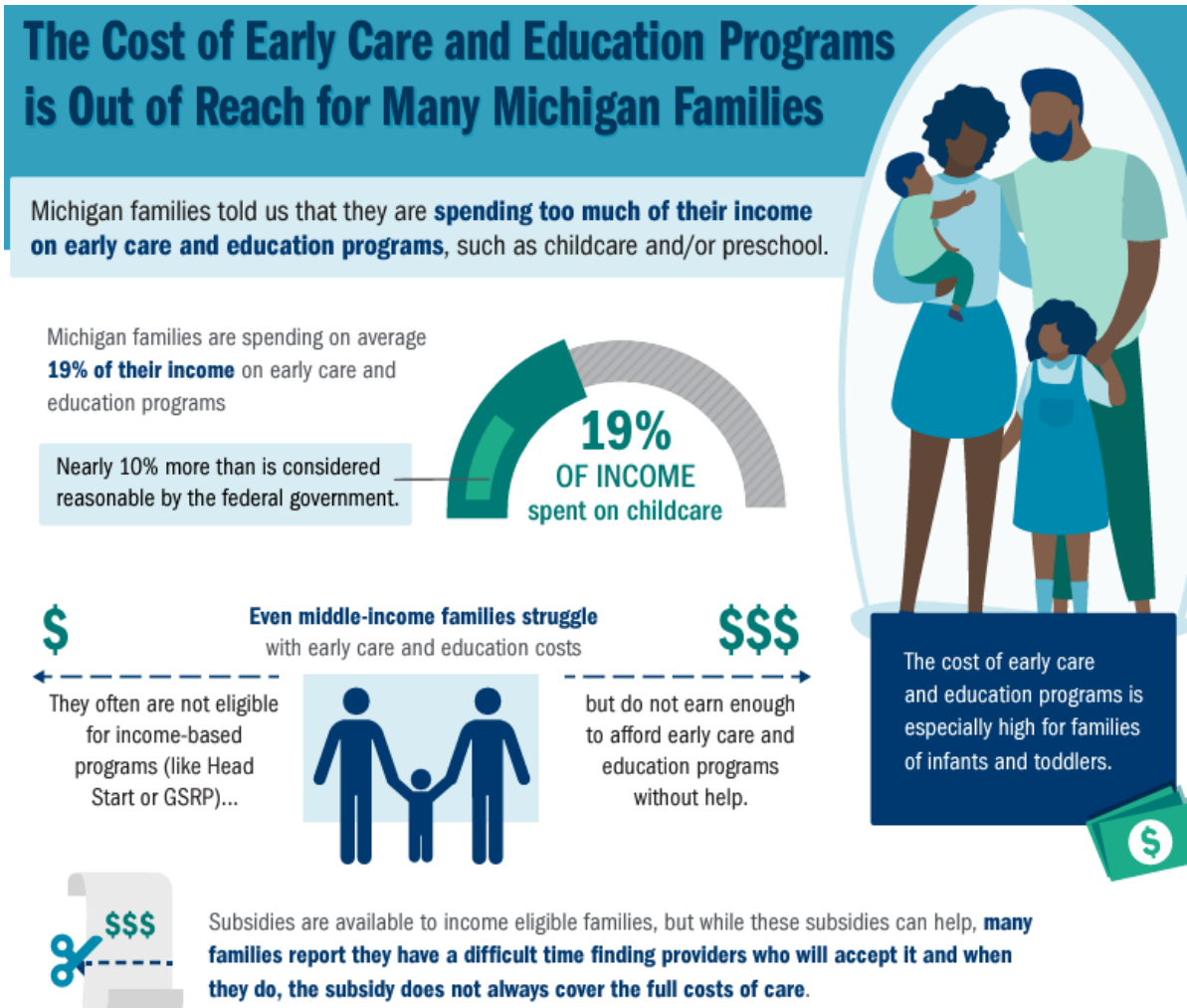
“That is our toughest part. We do not have family that live in the area. Our parents, our closest family, live 5 hours away. Working at a university as part of a college of medicine, you know, understanding public health, of course, I want to do what's best for the community. So of course, if he has a fever they won't take him. If he's vomiting or has diarrhea, they won't take him. One of us or both of us are staying home. It is very inconvenient but we don't have other options so that's what you do.”

Cost of Care

The child care tax benefit in the U.S. is \$2,000, while the average annual cost of child care in ECMI counties ranges from \$9,000 to over \$11,000 per year per child, according to [MIT's living wage calculator](#).¹³ Infants are only eligible for home visiting services, [a type of program shown to have huge benefits for children](#), if their family meets income thresholds among other requirements.¹⁴ Although investments in early childhood education and interventions have been proven to yield the highest returns when targeted at children in their [first three years of life](#),¹⁵ Michigan's largest investment in early care and education (GSRP) is focused on four-year-olds.

“[A preschool] had a table set up at this farmers market, and they were promoting free preschool... but it was through Great Start and it had an income limit.”

This unintentional disinvestment in infants and toddlers comes at a huge cost to our communities. Michigan’s economy is estimated to lose \$2.8 billion annually due to child care issues faced by workers ([Untapped Potential](#), U.S. Chamber of Commerce Foundation).¹⁷



Research has consistently shown that greater returns on investment follow earlier investments in child care, education, and interventions—most critically during the first three years of life. And yet, we find that the biggest investment in early care and education in Michigan is targeted at four-year-old children—the age group that already has far better access to services than any other. This unintentional disinvestment in infants and toddlers comes at a huge cost to our communities and broader economy.

“We pay out of pocket and we maximize our dependent care savings account. I forget what the federal limit is on that. We use that to the maximum, and then out of pocket for the rest.”

The majority of parents reported having no help with the costs of child care (n = 65); however, many reported using Head Start (n = 64), CDC Scholarship (n = 17), and GSRP programs (n = 16). Ten additional families reported using Tri-Share.

“We pay out of pocket at the moment, just from our income we make from work.”

“Tri-Share is the only [subsidy option] I’m aware of.”

The average cost of child care in ECMI ranges from \$9,000 to over \$11,000 per year ([MIT Living Wage Calculator](#))¹³ which is a far cry from the federal affordability guideline that child care *should* cost 7% or less of a family’s income. In fact, the only higher expenses listed on MIT’s website are Housing and Transportation. Child care is unaffordable for many families, leaving them to make decisions like how to acquire debt, which bills to pay, and how to “make it work” on their own.

Family budgets are significantly strained by the high cost of child care, with current benefits falling far short of covering the gap. This financial pressure forces many parents to reduce work hours or leave the workforce altogether, leading to an estimated \$2.8 billion in annual economic losses across Michigan. Greater investment in child care support is essential to help families remain economically active and to reduce the broader impact on communities statewide.

CDC Scholarship

Families can qualify for the Child Development and Care (CDC) Scholarship if they meet stringent criteria related to income and parental activities such as work or school ([Need Reasons, CDC Subsidy](#)).¹⁶ The CDC Scholarship is one of the most equitable funding sources available, allowing families to use the funds for children of many ages and at either licensed child care centers or with license-exempt providers of their choice.

“[Child Development and Care Subsidy is] the only reason I have child care... I wouldn't be able to afford it and work at the same time.”

Children in foster care automatically qualify for the program, regardless of the foster family's income, which underscores the program's focus on the child's needs rather than the adults' circumstances. Additionally, the program features a step-down progression to prevent families from experiencing a sudden loss of benefits (the "cliff effect"). Recently, the requirement for families to have an active child support case to qualify was removed, which should increase accessibility.

“And the biggest problem is that they have wanted to sign up for assistance trying to help pay for the child care, and they ran into a traumatic experience with trying to apply cause the couple just bought a home, and the worker told them if they knew they need help with child care they shouldn't have bought a home.”

However, despite the availability of the CDC Scholarship, a significant number of families who qualify for the subsidy are unable to use it. According to data collected from the Michigan Department of Health and Human Services (MDHHS) Green Book, only half of approved, eligible families actually receive services from CDC Scholarship each month. The reasons for underutilization remain unclear, though analysis of public child care data from Great Start to Quality indicates that only 48% of ECMI's licensed child care businesses accept CDC Scholarship (310 of 649 licensed programs as of September 5, 2024).

In February 2024 alone, the 9 counties included in this study lost out on an estimated \$2,104,566.22 in *approved* child care funding to benefit children and families who deserve and need the support. This also means that the local region's child care ecosystem loses out on about \$24 million dollars per year that could not only stabilize child care businesses but help families return to the workforce and grow the local economy. See the table below for a county-level description of program utilization.

CDC Scholarship Utilization by County (February 2024)

County	Children Served	Children Unserved	Unutilized Benefits	Utilized Benefits
Arenac	69	42	\$39,015.06	\$64,096.00
Bay	579	472	\$408,289.44	\$500,844.65
Clare	128	98	\$99,737.54	\$130,269.25
Gladwin	93	48	\$40,479.36	\$78,428.40
Gratiot	179	104	\$72,113.60	\$124,119.20
Isabella	151	162	\$127,618.74	\$118,953.95
Midland	276	173	\$144,060.56	\$229,831.55
Osceola	134	108	\$83,133.00	\$103,146.90
Saginaw	1995	1444	\$1,090,118.92	\$1,506,091.55

CDC Scholarship is currently the most equitably accessible funding source for families. It can be used at a licensed child care or with a license-exempt provider of the family's choice. There is a step down progression so families do not experience the cliff effect once approved for support. Recently, the mandate that families have an active child support case was removed, opening the door for many who wanted to avoid confrontation with a co-parent to benefit from the CDC Scholarship. However, this program is still underutilized by those who qualify. Many families actually find out about the program from their child care professionals, who often not only encourage families to apply but support them throughout the lengthy process.

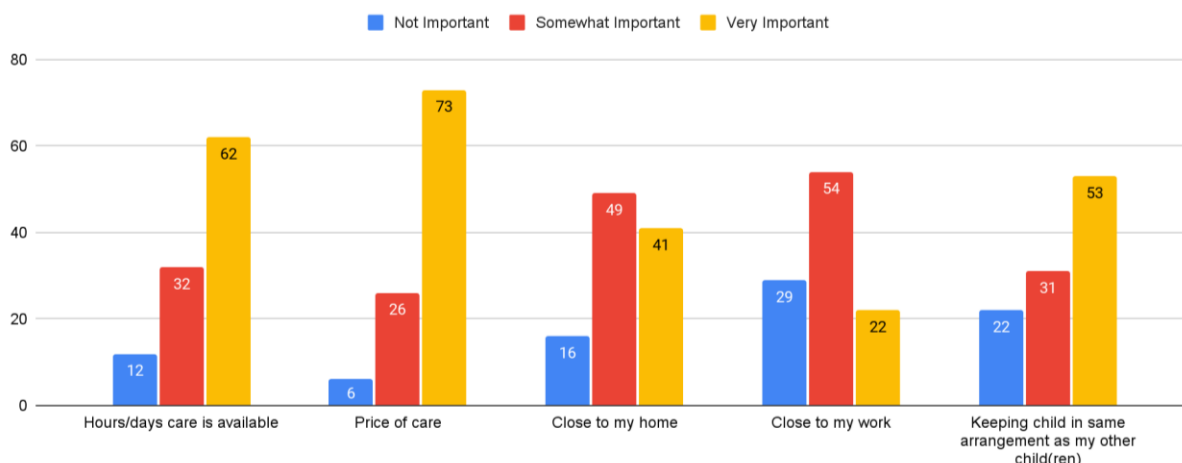
“When I started out, I was just paying cash, and my provider actually suggested that I try to apply for state assistance. So I did apply and receive that now. I think my portion is \$15 every other week.”

During the grant period, another change to the CDC Scholarship policy allowed child care businesses to see the duration for which children were approved to bill and now receive notification of approvals. Although these adjustments may lead to more families qualifying for the scholarship, it remains to be seen how effective these changes will be.

Parent Choice

Our research did not find any instances where families could secure care that met all of their preferences. Conversations with parents repeatedly returned to the issues of cost, access, and the limitations of choice. This reflects the reality that as parents seek higher quality care, the costs rise exponentially, leaving many to compromise on the level of care they can afford. See the figure below for a summary of parent priorities.

How important to you are each of the following aspects of a child care arrangement? (of 106 responses)



If you ask a parent to imagine their perfect child care you hear the same thing over and over, business owners and staff who are kind, compassionate, educated and calm. Centers and homes that are safe, clear and inviting. Curriculum and learning opportunities that incorporate the outdoors, large and small motor skill development and social emotional skill building. Healthy food and drinks available and in alignment with family preferences. Programs that respect family culture and work in partnership with parents.

“It would be a center... where our kids could interact with diverse staff and students and have access to diverse material, [a] variety of cultures represented and getting to learn about all of the beauty that is held in our world. I would love a focus on nature, getting outside, and interacting with the natural world and taking care of it, and I'd love it if they did cloth diapering. We do that at home as part of our diapering routine, partially to save money, partially to be good stewards of the environment.”

“I would say it would be educational. It would be hands on... A lot of one-on-one with the kids.”

“A safe environment. I would want a compassionate environment, one that took into consideration the children's specific needs and was aware of the needs of the community in which they exist. I think having a variety of activities and resources available to the kids. Healthy food options. Access to getting outside and having interaction with other kids.”

“There was a connection there. My baby was happy when I dropped her off, and she was still happy when I picked her up. I mean there were days when she didn't wanna leave the workers! So that is another big part of having quality daycare... the worker's ability to connect with the children. Safe environment is a big thing. Obviously, you want your children to be as safe as possible. Outdoor play is a big thing, especially in the summer. Have quality playtime and constructive playtime and imaginative play and stuff like that... Another big thing is communication!”

“Their demeanor, you know, are they kind, are they gentle, are they thoughtful of people's different backgrounds? And what sort of materials do they have in the classroom? Do [the children] get access to things like art and different reading materials and things like that?”

“I feel like there should be some help for people to get trained and stuff like that. Something like [having] a child therapist offers some insight. Have a 1:1 worker, having staff that are trauma-informed and are able to help children regulate. Yeah, it's really important.”

Some parents want their children at home, with a nanny or reliable babysitter.

“Ideally for me, I would like to have child care in my home. I know that's not always an option but if I have to go outside of the house I would like to go to somebody that has a good reputation of safety [and] not taking too many children at once. Opportunities for kids to go outside. Safety is a big issue as well as reliability.”

When asked about negative experiences, and specifically about finding programs that honor family culture, it is clear parents are making a lot of sacrifices for the sake of being able to provide for their families by working.

“Okay, I gotta also add, I also have a previous coworker who has 2 kids, she told me..they had a whole basic curriculum, even for infants. A whole curriculum where things are laid out. This is what they were gonna do. This is what they were gonna teach. That sounds great. Living in [city], you don't have those same types of options, at least not that we found.”

“...Once she's school age, and listening to those things. I don't really want her around that negativity towards like transgender or non-binary [people]. They have very racist and sexist comments every once in a while.”

“We definitely notice that there are different people there when you pick him up or drop him off, or you know the people that seem to take a little extra attention to details are no longer there.”

“...You know how you have that instinct like something doesn't seem quite right? One day I dropped her off, and I stood outside the door and listened, and I could hear them yelling at her and just speaking to her in a really rude manner, because she was a pretty fussy baby. They were not handling that well so I just, you know, opened the door, and I took her out and never brought her back. So that was definitely a negative experience for me, and made me reluctant in the future to use child care.”

“The first day care that we interviewed we just knew it wasn't gonna work out just because this day care provider was like, ‘your kid's only 6 months old, we don't start feeding them baby food until they're a year old.’ But my daughter was not going to live on bottles alone. She likes to eat... And then she was like, ‘I don't know what your religion is, but we pray before every meal, and all kids are required to do it.’ And I'm like, ‘Okay, well, my baby is 6 months old. Good luck.’”

“So in, like the large general picture, I would say, yes, we're at a Lutheran-based institution. Both my wife and I are Catholic... but in general, yes I would say so. My son is mixed, if I had all the options in the world, if I had an option and I could expose him to more culture related to my ancestry, absolutely. I would definitely do it.”

“We come from a mixed race family... and our kids are a mixture of [our two backgrounds] that we've grown up with. And we do live in an area that is heavily, predominantly white. And the child care providers are all [white], and so that provides some challenges in some respects... But I would say, like more cultural values in that respect of just family upbringing, seeing a variety of skin tones, seeing a variety of cultures – that is important to us, having access to different ways of thinking, different cultural celebrations. We try to be focused on that in the home and expose them to that.”

Current state efforts championing GSRP and the related Pre-K For All initiative were found to meet the needs of some families while potentially causing unintended consequences for others, particularly those who do not qualify for the age-specific program. GSRP expansion is outcompeting community-based organizations within the most profitable age group—preschool. The wider staff-to-child ratios permitted by licensing in preschool programs also mean that community-based organizations end up being left with the lower staff-to-child ratio age groups, like infants and toddlers, which are inherently less profitable in the current market and regulations. As a result, the rapid closure of child care businesses is reducing the availability of infant, toddler, and home-based care options. This outcome results in forced choices for families.

Work Life Balance

Parents reported significant impacts on workforce engagement and career development:

- **54.72%** of respondents reported being distracted, stressed, or worried at work
- **54.72%** also reported missing work, arriving late, or leaving early.
- **29.25%** had to leave their job because of child care issues.
- **28.30%** turned down a job offer, promotion, reassignment, or further education.
- **21.70%** reduced their regular work hours or changed from full- to part-time.
- **16.04%** completed in-person participation (staff only).
- **13.21%** indicated that none of the listed options applied to them.
- **9.43%** reported losing their job due to child care challenges.

18% of parents who reported employer benefits described having access to sponsored benefits such as on-site child care or other financial assistance (16 of 91). When asked what employer support for child care would be most valuable, parents indicated a strong interest in paid sick leave (54%), flexible scheduling and/or remote work (51%), and paid time off (including vacation and personal time; 42%).

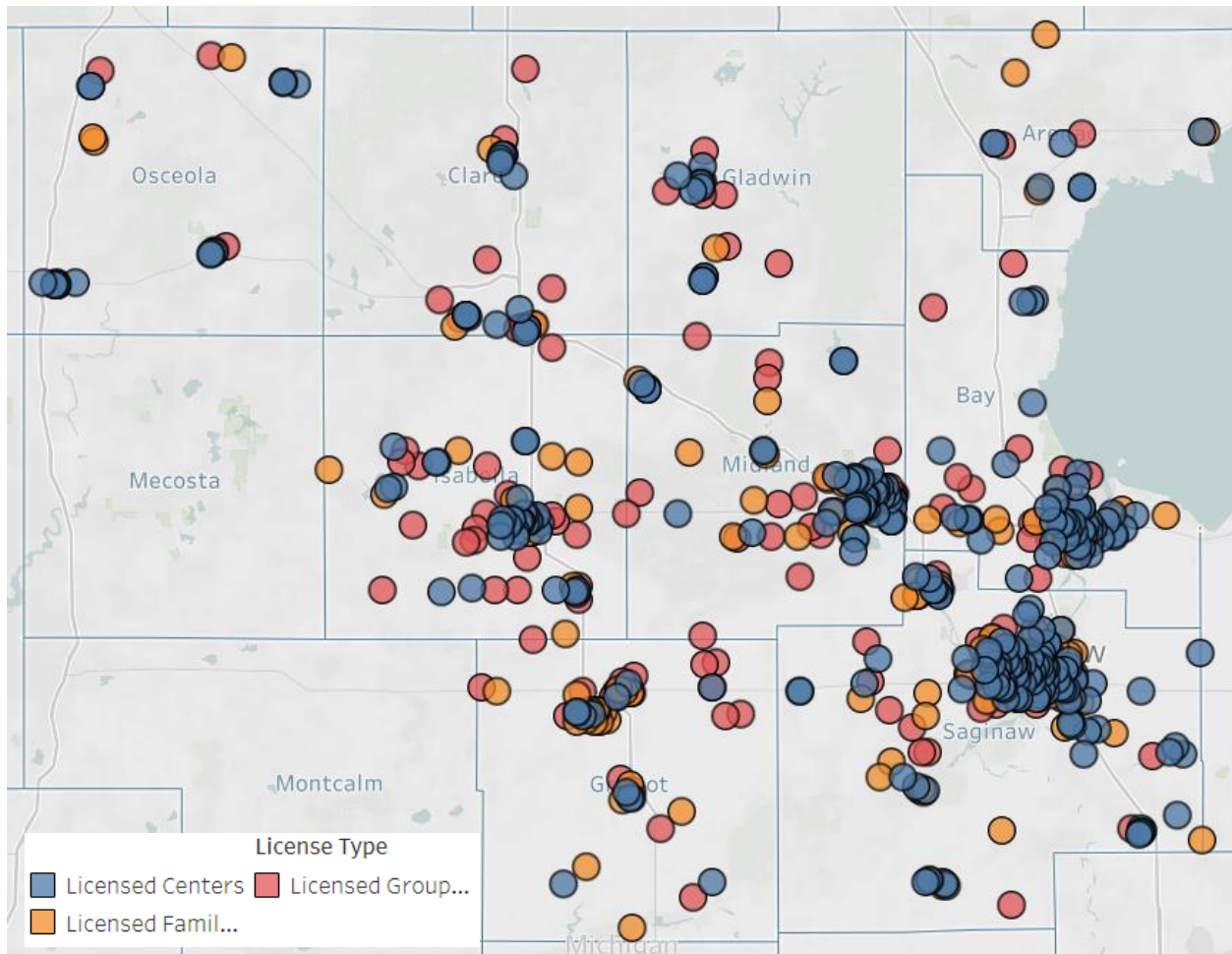
“No shiny, heavy, feel-good type of moments come to mind. I just could say that I feel comfortable bringing him there. He's been going for 3 months now, and for the first month and a half, he cried every time we did the pass over to her and now he doesn't. So that's progress. It feels good that he's trying to adjust. And yeah, it's a big adjustment. It's, you know, it's not my ideal situation. I love having him at home. But I have to get my work done, too.”

Not only do child care issues directly impact the ability of adults to show up at work, but they often report being worried, distracted, and unproductive when they know their child is not in a preferred care situation.

Child Care Business Owners/Directors

As of April 2024, the counties of East-Central Michigan had a total of 649 licensed child care businesses with a maximum operating capacity of 22,627 licensed slots. Of the 649 unique licenses, 46% were licensed centers (n = 300), 29% were licensed family homes (n = 186), and 25% were licensed group homes (n = 163). The ECMI included 12 members from licensed programs. Please note, these counts do not include license-exempt providers (related and unrelated) or unregulated family, friend, and neighbor care. The figure below shows the distribution of licensed child care businesses across the region with Centers shown in blue, Group Homes in red, and Family Homes in orange (retrieved from Great Start to Quality, April 2024).

Licensed Child Care Businesses of East-Central Michigan.



A total of 42 valid child care business responses were collected by the Fall of 2023. Approximately 57% of the respondents operated center-based programs (n = 24), 41% operated home-based programs (n = 17), whereas one reported offering family, friend, and neighbor care. Saginaw County offered the largest number of responses (n = 16), followed by Gratiot (n = 8), Midland (n = 7), Isabella (n = 5), Bay (n = 3), Clare (n = 2), and Gladwin (n = 1); as noted earlier, no responses were received Arenac or Osceola Counties.

All 42 respondents reported their municipalities in addition to their counties. The top five most frequent municipalities represented include Saginaw (n = 13), Midland (n = 5), Mt. Pleasant (n = 5), Alma (n = 3), and Perrinton (n = 3). The remaining responses were spread out among numerous municipalities. The vast majority of child care business survey respondents (55%) reported living in a small city or town. Living in a rural area (19%, n = 8) was the next most common situation, followed by living in a large city (14%), and only 12% reported living in a suburban area near a large city.

In addition to the demographic information described above, child care business respondents also reported the following:

- 38% of the child care centers reported being women-owned.
- 19% of the child care businesses were owned or directed by people of color.

- 10% of surveyed businesses reported providing multilingual services.
- 69% reported being over the age of 40 (this includes 52% over the age of 50).

The majority of child care business owners reported being in two separate age groups, 21 - 30 and 51 - 60 years. This reflects broader ECE workforce data which suggests a significant wave of caregivers is preparing to leave the field.

The vast majority (93%) of respondents reported having access to reliable internet, a desktop or laptop computer, and reliable transportation. Two directors/owners reported being without reliable internet access, one of which also lacking a desktop or laptop computer for work. A separate respondent reported lacking reliable transportation.

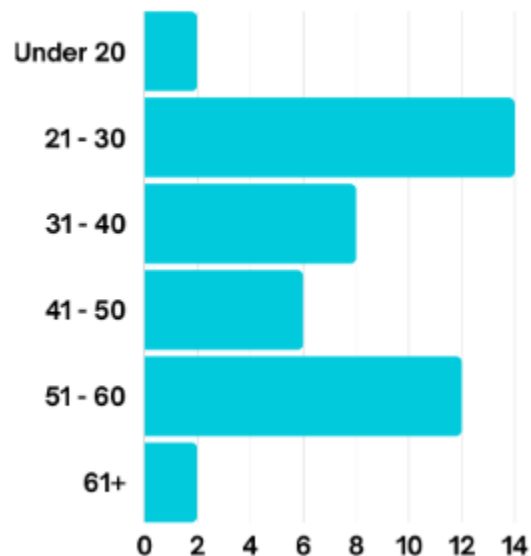
The large majority of respondents also reported serving families with financial difficulties (76%, n = 32) as well as children with socio-emotional and/or behavioral challenges (71%, n = 30) or disabilities (52%, n = 22). Over one-third of respondents also reported serving multilingual families (36%, n = 15). Additionally, while it was stated earlier that 19% of directors and owners self-identified as people of color, the children being served were reported to include children of color by the large majority of respondents (62%, n = 26).

Respondents reported somewhat variable start times for their programs but typically reported start caregiving between 6am and 7am. However, almost all child care businesses reported ending the business day at 6pm.

The survey revealed several challenges faced by child care businesses:

- 21% reported having a second job other than operating a child care business.
- 35% report not enough applicants for open positions.
- 35% report applicants are not qualified.
- 52% report not being able to offer competitive wages.
- 35% report difficulty finding substitutes.
- 33% report low staff morale and burnout.
- 38% report high staff turnover.
- 35% report lack of time/resources to develop current staff.
- 21% report fingerprinting/background checks take too long.
- 33% do not have physical space to expand.

What is your age range? (n = 42)



According to one child care business owner, enrollment challenges were the result of competition with publicly funded programs:

“GSRP and Head Start take most of the opportunity to enroll preschoolers”

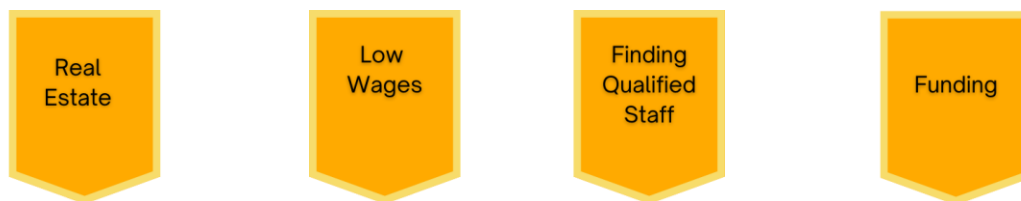
Expansion Possibilities and Barriers

Child care business owners and directors described a number of barriers specific to the possibility of expanding their business services.

“There are not licensable buildings to expand to, of the 3 licensed centers I have worked with, we have scouted countless buildings in Gratiot County with abysmal results. Anything available would take millions of dollars to provide a partial-quality, short-term solution. The community is not interested in helping to make the investment needed to create one or more long-term, high-quality solution.”

“Wondering if families will stay once I expand. Worried that staff won't stay/commit once I expand. Extremely worried that free prek for all in the public school down the road will take all of my kids.”

“The hassle of permits and will I be able to find the children to fill the spaces so hold off.”



When asked about expanding child care services if resources were available, 76% of respondents expressed interest, with 38% considering expansion at their current location and 38% at a new location. The greatest interest in expansion was for toddlers (24 respondents), infants (22 respondents), and preschoolers (21 respondents).

The Burden of Unfunded Mandates

Child care is one of the most highly regulated businesses in Michigan. Meeting these regulations often constitutes an unfunded or underfunded mandate, placing the cost burden on child care business owners and the families they serve. When the families can't afford to pay and the child care businesses can't afford to stay, this is described as a “market failure,” which is not incorrect but misses a key aspect: child care businesses operate in a *highly regulated* market.

The widespread description of the child care crisis as a “market failure” is a misleading way to frame the situation because it leaves out the critical, burdensome context of

regulations and unfunded mandates. The unintended consequence of framing the issue without regulatory context is that child care business owners are effectively blamed for being unable to sustain profitability when the odds are stacked against them. An equitable assessment of the market failure must also account for the myriad of regulatory burdens, questionable effectiveness of public programs, and unintended consequences of public competition with community-based organizations.

Child care businesses frequently report spending many unpaid hours on administrative tasks related to unsustainable reimbursements for program participation (e.g., CDC Scholarship and CACFP). This failure of *regulated markets* causes a cascade of impacts to the children, families, employers, and the economy. These challenges reflect the broader issue of a failing public infrastructure at a time of rising living costs and devaluation of the U.S. dollar.

As detailed below, regulations in child care settings intersect in complex ways that cause astronomical expenses for businesses already operating at [1% profit margins](#).¹⁷ 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.

What It Takes

Few people outside the industry understand how difficult it is to operate a licensed child care business. The following quotes from semi-structured interviews with child care business owners in East-Central Michigan provide insight into their challenges:

“It's hard to separate your personal life from your daycare life... I feel like I eat, sleep, breathe daycare.”

“I think a lot of people go into this thinking I love kids and I love spending my day with kids. And I get to see them with my own kids, but they don't realize that it's a serious profession. And it's an important profession.”

“We were licensed in a school building over in [city], and it was so rough. Basically, the teachers are like, hmm, we're better than you. You're not real teachers, you're babysitters, and you make too much noise. You make too much mess, and you're just an inconvenience for us.”

“If you're doing it just because you like kids, or just because you want to work from home for your own kids then don't. You're gonna close in a year and a half, I don't..say that to be mean. But most of them will open for a year, 2 years, maybe, and then close, and they realize, “hey, it's not just me hanging out at home with my kid and a couple of other kids. I mean, there's so much other stuff going into it.” So I've been helping some of the new providers in my area. And they're like, “wow, this is a lot harder than I

thought, this is gonna be how do you get the kids to sleep? How do you feed 7 kids at once?” things I just do everyday without thinking.”

“I would say, the need is definitely there. But make sure to do your research, because it is a tough process, getting all of the paperwork, you know, in line, making sure all the inspections and everything are done. And again, that's all so costly... [If] I wanted to open a center right now, there's no way I could do it on my own.”

“I would tell them that it's [running a child care business] is a rewarding experience. It has to be something that you want to do. It can't be something you just want to get into because you want to make money because you're not going to make it, you're not going to make what you think you want to make. When people come into this, they need to understand that you're here to nurture a family, a child. your whole community and everything, that's going to encompass everything and that's going to be the reward that you're going to get. And then they come back and say, Oh, I remember you, you were my teacher and I'm doing this now, and I'm doing that now. You know that you've made an impact. You might never see it immediately. It'll take years for you to see it. But if this is what you want to do, and this is your passion in your life.”

“I worked with a Head Start for 5 years, and then I worked for a private for profit child care center, first as assistant teacher and then as an infant lead teacher. And then, when that closed I became an incorporating member of this board to open a child care center. We were open for two and a half years, and we had to move. And now we're closed and we're trying the whole process all over again.”

The quote directly above is from a Center Director who has spent the last two years working full-time, without payment, to open a Center in Alma. A community that until the nonprofit she works for finally secured and renovated a building they are leasing (with no option to purchase) had no center-based infant care available, at all for over six months. The sweat equity she committed through nonstop advocacy with representatives, senators, local government, grant opportunities and grassroots fundraising still left them hundreds of thousands of dollars short of their total goal for renovations. A delay in paperwork being completed by licensing meant that she was worried once again all would be for naught and they wouldn't be able to open the doors in time to bring in tuition to pay the cost of preservice training required of staff.

The [Scaling the Wages](#)²⁰ Report from TalentFirst and ECIC captures some of the context that child care businesses operate in and sheds a stark light on why, as documented later, staffing is such a huge issue for these businesses. According to the report:

- The workforce has shrunk by over 34% between 2001 and 2022, meaning more than 1,600 less early educators are working in the region.

- 78% of the workforce is making less than \$15 an hour, despite the fact that the majority have education beyond a high school diploma. The median wage for a Lead Teacher is \$13.91, a position that is required to meet one of the requirements shown on the table below (see next page).
- “Despite a 97% overlap in required competencies, qualifications, and work activities, Kindergarten Teachers earn \$20.22 more per hour than Lead Teachers and have access to a host of benefits not available in the ECE environment.”
- Additionally, “When accounting for inflation, most roles in early care and education have actually seen significant declines in their wages since 2005, a period when pay for other occupations has risen.”

	Education	Coursework in Early Childhood Education, Child Development, or a Child-Related Field	Hours of Experience
(a)	Bachelor's degree or higher in early childhood education, child development, or a child-related field		
(b)	Montessori credential with		480 hours
(c)	Associate's degree or higher in early childhood education or child development		
(d)	Valid child development associate credential with		480 hours
(e)	High school diploma or GED with	12 semester hours and	960 hours
(f)	High school diploma or GED with	12 semester hours, 18 CEUs, or a combination to equal 180 clock hours with	1,920 hours
(g)	High school diploma or GED with	6 semester hours, 9 CEUs, or a combination to equal 90 clock hours with	3,840 hours

During an interview a Center Director shared the following:

“So yeah, when your staff members literally cannot take [time] off, they have to come to work sick. They have to come to work sick because they can't afford to take time off, because that means their families are not eating, because that's how much money they get paid. It's just heartbreaking. I'm like, yeah, we are taking care of the world's most treasured things in the entire world, and we're getting paid nothing for it.”

Most workers, as captured in the quote above, do not have access to paid sick leave. The Scaling the Wages report continues, “Just .02% of the child care workers, including lead teachers, make enough to support the average family size of one adult, one preschooler and one school-ager.”

In our surveying of child care workers in East-Central Michigan, 42% of child care workers surveyed indicated their income does not meet the needs of their family. 39% indicated it only does sometimes.

“I have to work 3 jobs to support myself because I am not paid enough”

“Low pay for a demanding job. I love the field I work in however my Fiancé and I are trying to buy a house and it is nearly impossible for me to get a loan for a house because of my low income. I also am struggling to keep up with my car payment, car insurance, and phone payments, on top of all my other bills. I am also going to school on top of that and my time is very limited between work and school!”

Limited, or lack of access to benefits beyond pay were also common. Over 54% of staff surveyed indicated that lack of paid time off at work makes it challenging to meet their needs.

“I have insurance provided. But it's not good. High deductible, not much covered. Expensive to add family.”

“Health care is very expensive and not good at all. Very little paid time off or sick leave”

“Insurance is offered but we must pay for it which takes your whole paycheck so not really a benefit.”

Owning a licensed child care business is highly demanding, with long hours, strict regulations, and heavy financial burdens. East-Central Michigan’s child care businesses face costly requirements, forcing many to raise tuition or make difficult financial choices. Challenges such as state inspection delays, high renovation costs, and complex permitting requirements ultimately strain resources and underscore the need for improved support for child care businesses via streamlined regulations.

Over-Regulated, Under-Supported

Child care businesses must navigate a [complex web of regulations](#):¹⁸

- The type of door frame required in a child care center is regulated.
- The temperature of the water within a licensed home is inspected annually.
- The depth of the wood chips around a play structure are regulated.
- The regularity with which bedding must be washed is regulated.
- The distance between each cot or mat preschools are sleeping on is regulated.
- The type of milk that is allowed to be served is regulated.
- The amount of light within a home is regulated.
- What is considered a “safe walking path” for a child care to use a park nearby for outdoor play is regulated and determined by a licensing consultant.
- Child care businesses (and license-exempt providers) are required to keep four years of daily attendance records ready and available if participating in the CDC Scholarship.
- How the windshield wipers operate in a vehicle transporting children is regulated (driver-operated, not automatic).

The licensing handbooks for homes and centers are 32 and 59 pages, respectively. The corresponding technical assistance manuals are 217 and [359](#) pages, respectively (e.g., [May 2024 Update](#), MiLEAP).¹⁸ These documents only cover what is required of these businesses at the State level of oversight. This is for a business that receives CDC Scholarship reimbursements as low as \$6.40 - \$8.35 per hour per child.

Even locating the child care licensing rules can prove challenging. Research staff encountered numerous 404 errors and broken links while attempting to locate current licensing documentation. The creation of a new State Department called MiLEAP (Department of Lifelong Education, Advancement And Potential) and transition to a new system for managing child care licenses caused significant issue finding information during the landscape review and was reported by child care business owners regularly as an issue during meetings and in communications. Many public pages appear to have been removed from the LARA website, rather than redirecting to the new MiLEAP page. As of June 2024, the public [Child Care Licensing Rules for Child Care Centers](#)¹⁹ is 59 pages of legal rule definitions that is not very friendly to the general public—it does not, for example, include a Table of Contents. Child care business owners appear to experience extensive barriers to information.

Feedback on the new CCHIRP system reflects additional frustrations:

“Even my licensing consultant is fed up. But this is my thing with CCHIRP... I knew that I was up for renewal. I went in, I renewed it because the CCHIRP system wasn't [online] yet. Then I got a letter from the State of Michigan, saying that I did not renew my license, although I did. I had proof. I had made the payment. I redo it yesterday and pay another \$50. What? Because nobody knew how to transfer the old system to the

CCHIRP, showing I made that payment! So I was out another \$50, I told my licensing consultant last night. I said, 'you know I'm gonna just pay it because I'm so sick of this.' But \$50 is \$50."

"[I am late because I was on the phone with] the CDC program because I got this stack of children (provider holds up a thick stack of papers), they go to my center on subsidy and I received something stating that [end of the week] was their last day and I would no longer be able to bill for subsidy... Parents are not aware of this... so long story short... this CCHIRP system said that my center was closed and is not communicating properly with the CDC and is not communicating properly with the Great Start to Quality and I'm at a stand still. Because, of course, this is the holiday weekend coming up. Parents have to go to work and they have to pay for their children. If I get a letter stating that they're cut off, what am I to do? I don't know what to do. I mean, it's kind of frustrating. On top of that, these are my employees. [And] myself. Everybody needs to be paying right? They told me to call licensing. But when you go on the thing for licensing. Now it shows that I'm open. I'm active. But evidently the computers are not still communicating..."

Licensing consultants play a critical role in determining compliance. They are mandated to complete at minimum an annual visit to each child care business on their caseload, to inspect any complaints, and to inspect opening programs. The average caseload in [Michigan was 88 programs per consultant](#)²⁰ before Governor Whitmer's efforts to open 1,000 new child care businesses. Child care businesses unsurprisingly report that delays are very common.

"The funding and the going through the hoops with LARA [child care licensing], them not being adequately staffed. You are doing your job, but you're waiting weeks to get a response back."

"Improve licensing process and communication with licensing consultants."

While licensing and regulatory rules are critical to ensuring safe and quality child care, there are obviously many downsides to the experience that tend to overburden child care businesses first.

Regulatory Definitions and Inspector Roles

The concept of "adequate natural or artificial light" in child care settings illustrates the significant power held by licensing consultants to determine if a child care business is in violation of regulations. For example, the [Technical Assistance and Consultation Manual for Child Care Family and Group Homes](#) suggests that adequate lighting is required mainly when children are napping, emphasizing the desirability of natural light (see the figure below).²¹

It appears from this guidance that there is only a requirement for adequate light when considering napping children, however the rationale speaks to the desirability of natural light. However, additional guidance provided in rule 400.1943 does not clearly define what constitutes "adequate lighting" when children are not napping or if there is not an emergency.

R 400.1943 (6)

(6) The means of egress must be adequately lit at all times that children are in care.

Rationale

Ensures adequate **lighting** for safe passage at any time and for ability to quickly locate children in an emergency.

Technical Assistance

Adequate **lighting** can be natural light, overhead **lighting** or lamps.

Stairs from a basement or second floor level used as the pathway to exit the home are considered a means of egress.

This ambiguity creates challenges for home-based child care business owners, who may operate out of apartments, duplexes, or standalone homes with limited ability to alter the amount of natural light without making structural changes. How important adequate lighting is in the setting ultimately rests with the licensing consultant. A good relationship with your licensing consultant is imperative to staying open.

Additionally, during interviews, it came up more than once that licensing consultants did not feel like consultants.

R 400.1934 (7)

(7) All child-use areas must have adequate natural or artificial lighting.

Rationale

Natural lighting is the most desirable lighting. Inadequate lighting has been linked to eyestrain and to headaches. The visual stimulation provided by natural light is important to a young child's development.

Technical Assistance

Adequate lighting is necessary in rooms where children are napping to:

- Allow for the supervision of the children.
- Ensures safe exiting in case of an emergency.

“Twice I [tried to get] licensed...the first experience was [bad because of the] the licensing consultant. She didn't consult, she was more of let me figure out, what can I jam you up on instead of teaching you and consulting with you. I'm going to make sure I'm going to say, this isn't right. So it was a big deterrent for me... I was [so] deterred by the license consultant because she made me feel like I was doing everything [wrong so] I closed it [stopped trying to get licensed]. And then I thought no, I really want to do it, I think I can make a difference, so let me try it again.”

“The second time, she's really a consultant, she says, ‘Hey, this is not right. Let's fix it.’ You know, this is supposed to be like this. So she's teaching me more than she's trying to find errors. She's actually teaching me and showing me better ways to do things and making sure my paperwork is correct and things like this. So the experience is different, based [on] who your consultant is and who you're working with.”

“I knew that our consultant was one of those nit-picky types of people, and I tried to foster a relationship with her like, “Hey, you're such an expert. It's so great that you teach me. I'm so hopeless. Help me, please.” And so that worked for like the first year and then she was like, “Gotcha, gotcha, gotcha, gotcha gotcha.”

During the process of opening a nonprofit Center a coalition member shared her experience with her new licensing consultant regarding outdoor play space. The coalition member was excited to lean into a natural playscape option for her outdoor space. Using slides built into the side of a hill. She was told by her consultant that under no circumstances would she ever approve something like that. When the coalition member asked why it was that other centers such as [Grand Rapids Community College](#)²⁴ were able to do so her consultant responded, “well was that in Gratiot County?” It is unclear from our research why there is such variation across consultants who are implementing the same set of rules and regulations.

“So basically, if you have a good licensing consultant they will be in your corner. And I've had some really good licensing consultants. But I've had some bad licensing consultants. There's some that just wanna get you on something. They wanna, you know what I mean? And then there's others that are very supportive.”

During interviews it was repeated that child care business owners want support from their licensing consultants.

“It would be nice to see it from the state level...[to have] consultants, as somebody who's here to help you and not come into your house and tell you everything is wrong.”

Education Requirements

Education requirements vary hugely by licensed care setting, including by the age of the licensee/child care director. To operate a [child care home, the licensee](#)²² is required to “be 18 years of age or older” and “Have a high school diploma, general educational development (GED) certificate, or approved training track and hours for child care home providers through MiRegistry.”

For [child care centers, the Director](#) (who may not always be the licensee but is responsible for similar duties) must “be 21 years of age”, “Have a high school diploma, general education development (GED)”, and one of the requirements as detailed in the licensing documentation (see the table below).¹⁹

	Education	Coursework in Early Childhood Education or Child Development	Hours of Experience
(a)	Bachelor’s degree or higher in early childhood education or child development		
(b)	Bachelor’s degree or higher in a child-related field including →	18 semester hours and →	480 hours
(c)	Montessori credential	18 semester hours and →	480 hours
(d)	Associate’s degree in early childhood education or child development including →	18 semester hours and →	480 hours
(e)	Valid child development associate credential with →	18 semester hours and →	960 hours
(f)	Sixty semester hours with →	18 semester hours and →	1,920 hours

Finding staff who meet these requirements or are willing to work towards them, while also undergoing training, medical testing, background checks, and fingerprinting, is particularly challenging given that the average wage for the most highly paid child care workers is less than \$15 per hour.

Both the education and training requirements are mandated for licensed care regardless of the hours of operation. This means that even child care businesses offering only second, third, or weekend shifts must have a lead teacher with the same required level of education.

Additionally in conversation with economic development leaders in the region, it was raised that it is incredibly challenging to recruit and retain people with bachelor's degrees for high paying jobs. The expectation that someone should wish to move or stay in a small village and [make less than someone working as a telemarketer](#)²⁰ is ridiculous. To engage rural economic developers it is going to be essential to understand the realities of these communities and incentivize highly trained child care workers to come to the communities and live.

In one case, a child care owner actually purchased an RV for her center director to live in within the community so that person would not have to sell their current home or completely relocate to the area to work there.

Training Requirements

During interviews, child care business owners reflected on the training requirements and the training available to them:

“The cost to get a new employee into a childcare center is ridiculous. It is insane. They have to do CPR per the state within 90 days. So they gave us a little time on that. But then, the fingerprinting is \$66, TB test is around \$30, and then they have to take 9 hours of training classes which they just switched to for free.”

“ We pay more than average child care worker make. But again, it's not as much as you would make it an entry level position... [And] what they [staff] have to do. The yearly trainings they have to do for child care. It's a lot, you know, and to try and find time to do that on your own, especially because we're part of Great Start to Quality. They require 8 more hours than what the State requires. So that's 24 hours of annual training that they've got to find on their own time, and it's hard when they have families and children at home.”

We asked child care business owners how often they completed training to fulfill the hour requirements versus training they genuinely enjoyed or felt they needed:

“Majority of the time I just take them to get my hours in, you know, and it's usually at the end of the year kind of trying to get them done. I still try to look for things that I would enjoy. And that would be helpful. But in the beginning I did more of it throughout the year, searching through for things that I needed.”

“You just don't get good training anymore. Everything's online and nobody learns online. I mean, I don't even, I just fast forward through it all. I don't listen to it.”

“I would say, I'm you know, 90% of the time I'm taking something that looks interesting to me because it's all interesting. I mean, if I can find one new

idea to use with my group, my groups are different every school year. So I'm always looking for new ideas."

"90% is just getting my hours in. Yeah, let's just get these hours in."

"I have done a couple that were on MiRegistry that I was curious about. A few where I was finding out different ideas about artwork, things to do to keep kids' interest."

"If I Could Wave a Magic Wand"

During interviews child care business owners were asked about the support they wished were available. Great Start to Quality Resource Centers, the organizations responsible for providing comprehensive support services to child care business owners and staff, came up regularly as a great partner and supportive.

"Great Start to Quality because they have been my go-to. Great Start to Quality ,if you utilize them in their services, it's a great agency... they have helped me tremendously going forward and [are] still willing to help, you know, [with my] transition into a center. So I would say, Great Start to Quality has been an agency in the community that's really helped a lot but they are underutilized. A lot of home providers I speak with don't even know they don't even deal with great start to quality at all."

"A lot of times I have questions, or I need some support in anything, my Great Start person has been awesome! Any little thing that I need or if I don't have all the information [on something] she will find the information for me. She talks to me, gives me ideas for things. For instance, I had to turn down a parent, it wasn't a good fit, but I referred her to [this support person] and she got her connected to a better fit provider."

What child care business owners wanted in terms of business practices is outlined below:

"I...wanna know a better way to organize receipts. My finance part. I have to keep everything written down... but I'm a paper person, so I haven't gone electronic with anything. I just need a better way to organize the administrative part, because as a provider, we are everything. We are HR, we are secretaries, we are everything."

"Creating like a daycare consultant, some type of agency that can help, you know, homes and center stay on top of their paperwork, their requirements and things like that, and also provide a substitute teacher pool, because, like, if I hire a staff, they have the training for MiRegistry and the background check and all of that, but if they was to go to another home, that home would have to do all of that all over again. So somehow connecting, though, those systems. So if I do, wanna pull somebody over

here a couple of days a week I could look at the system and say, Oh, the background check already past you already has required trainers and things like that. So that's something I do want to do [and wish there was].”

“We did a meeting where she did. I think she was there for an hour and a half, talking to us. We all got together at our Transition Center. Well, it was [city] providers. But whoever could come, you know if you were welcome, she did that like 2 years ago. Two years ago, we owed a lot. And how she explained it was, what you do is you go buy an IRA, So it's like legally hiding some of your money, and that saved us \$14,000.”

“Like, the business side of things has definitely been a learning curve. The whole kids thing, I got it. But when it comes to the money, and just all of that extra stuff, I guess, it’s kind of difficult, because I didn’t go to school for that. No one ever taught me that. Yeah, cause you kinda need to have a little bit of customer service and accounting and all that stuff that happens in the background that we don’t necessarily think of in these situations.”

“Truthfully, I don’t know if it counts. But, like I said, when we did, the childcare Director support group, that was amazing because you could ask somebody else that dealt with the same thing. It was almost like a counseling session to some point. But then you could also bounce ideas off each other.”

“I had no maternity leave, and I took 6 weeks off. But you know it would have been nice, or even like I have a day of appointments, instead of closing for the whole day or an hour early, or whatever having somebody that is, has all the requirements ready to go and could come in and take over for you for a little while. You know that would be nice.”

“So I think other benefits should be offered for child care workers, you know, some type of retirement [option]. Something that would assist someone [to work] in these areas for 20 and 30 and 40 years. You give your life, all that time for other families, and everything. Then you walk away empty handed.”

Staff-to-Child Ratios

Staffing is directly impacted by adult-to-child ratios required by the State. Perhaps unsurprisingly, the adult-to-child is different based on the child care business location. Below is a snapshot of the [current child care licensing handbook pages](#)¹⁹ that explains requirements for staffing ratios and group size, the number of total children allowed in a room or “well defined space.”

R 400.1910 Ratio of personnel to children.

Rule 10. (1) The ratio of personnel to children present in the home at any 1 time must be not less than 1 member of the personnel to 6 children. The ratio must include all children in care who are not related to any personnel and any of the following children who are less than 6 years of age:

(a) Children of the licensee.

(b) Children of a child care staff member or child care assistant.

(c) Children related to any member of the household by blood, marriage, or adoption.

(2) For each member of the personnel, not more than 4 children shall be under the age of 30 months, with not more than 2 of the 4 children under the age of 18 months.

“They only let us have 2 infants per person (in a home) and my husband, he works with me so we can only take 4 infants and that’s who we get all the calls for and it’s not that I want a ton of infants but you get these families that have three year old and then get pregnant and what do you tell these families? I can take your three-year-old but not your infant.”

“This is why I went to family care when I was the director of a center employees, was my biggest headache, making sure that we stayed in ratio was the biggest hit, because you're hiring people for minimum wage. So those people have no problem saying, Oh, it's snowing. Oh, it's this. Oh, I'm you know, I'm not coming in today. I've got a headache. Which is fine people deserve, I mean, they need their breaks, too. I understand that but you're trying to stay in that certain ratio and try to make a little profit. And it was a headache.”

Below is a snapshot of the [current center-based child care licensing handbook pages](#)²² that explain requirements for adult to child ratio and group size, the number of total children allowed in a room or “well defined space.”

R 400.8182 Ratio and group size requirements.

Rule 182. (1) At least 2 adults, 1 of whom is a child care staff member, shall be present at all times when at least 3 children between the ages of birth and 3 years of age are present. A second child care staff member is required when needed to comply with subrule (3) of this rule.

(2) At least 2 adults, 1 of whom is a child care staff member, shall be present at all times when 7 or more children over 3 years of age are present. A second child care staff member is required when needed to comply with subrule (3) of this rule.

(3) In each room or well-defined space, the maximum group size and ratio of child care staff members to children, including children related to a staff member or the licensee, must be as shown in Table 4:

TABLE 4 Child Care Staff Member to Child Ratios			
	Age	Child Care Staff Member to Child Ratio	Maximum Group Size
(a)	Infants and toddlers, birth until 30 months of age	1 to 4	12
(b)	Preschoolers, 30 months of age until 3 years of age	1 to 8	16
(c)	Preschoolers, 3 years of age until 4 years of age	1 to 10	30
(d)	Preschoolers, 4 years of age until school-age	1 to 12	36
(e)	School-agers	1 to 18	36

(4) Children who have reached 33 months of age may, when developmentally appropriate, be enrolled in a 3-year-old classroom with written parental permission. The ratio listed in subrule (3)(c) of this rule applies.

(5) Children who have reached 45 months of age may, when developmentally appropriate, be enrolled in a 4-year-old classroom with written parental permission. The ratio listed in subrule (3)(d) of this rule applies.

(6) Children who have reached 57 months of age but who are not considered a school-age may, when developmentally appropriate, be enrolled in a school-age classroom with written parental permission. The ratio listed in subrule (3)(e) of this rule applies.

(7) If there are children of mixed ages in the same room or well-defined space, then the ratio and group size is determined by the age of the youngest child, unless each group of children is clearly separated and the appropriate child care staff member-to-child ratios and group sizes, if applicable, for each age group are maintained.

(8) An exception to the requirements of subrule (3) of this rule may be made when the center is transporting children and is in compliance with R 400.8760(1) and (2).

If a child care setting is out of ratio or group size requirements, it is considered a licensing violation. When a staff person calls in sick or has to leave early, it quickly becomes a serious issue. A child care group home that serves 12 children would need to have an additional person, who meets all training requirements, background checks, fingerprinting and certifications available, or would need to decide which families to tell that they cannot bring their children in that day for care.

For someone operating a family home the options are even more limited. Currently there is no state-wide substitute pool or organization, like EduStaff for K-12 schools, that support child care businesses to access substitutes who meet minimum qualifications. When a family home child care business owner has to close for a day, that leaves families scrambling to find coverage or having to miss work themselves. As indicated earlier, this is a common issue among families.

Staffing Shortage

As discussed above and captured extensively in the Scaling Wages report, child care workers are inadequately compensated and earn significantly less than those who have similar education and work duties (e.g., Kindergarten Teachers). To add insult to injury, the taxes that child care businesses are mandated to pay, unless they are nonprofits, are used like the rest of our taxes *to pay for the wages and additional benefits of these better-compensated counterparts.*

“So I've been a director for 18 years. I'm ready to be done. I can't do this much longer and it's all due to staffing.”

“We don't have a lot to offer. You can be the nicest boss in the world, but we also stay in child care for no money and you know, you're getting puked on and pooped on and everything else all the time. I wish I had a magic answer.”

We asked child care business owners in our surveys and interviews to share their perspective on what is causing the pervasive staffing shortage in the field. The same story came up over and over again: insufficient funds to compete with other businesses and programs.

“[A barrier is] paying qualified staff trying to work with what other businesses in the area are paying entry level staff, but also trying to run a qualified child care center with a lot of overhead costs. So a lot of our tuition, you know, goes to payroll, and that's about it, because we really feel that qualified staff are important and they deserve that pay.”

“When I came into this business, I've only been here since February and I've made a huge difference in staff satisfaction, because my key is that they feel valued, they're not making a lot of money. So in order to keep staff here, I have to be an incredible director that can make them feel valued and appreciated so that they love their job, and they know my goal is that they love their job. Because if they don't, they can make more money at any fast food restaurant.”

Frequencies of staffing challenges reported by survey respondents:

- 52% not able to offer competitive wages
- 38% high staff turnover
- 35% not enough applicants for open positions
- 35% lack of time & resources to develop current staff
- 35% applicants are not highly qualified
- 33% low staff morale & burnout
- 35% difficulty finding substitutes
- 16% not able to find staff that reflect the demographics of families served
- 21% fingerprinting / background check takes too long

We also asked child care business owners about the approaches they use to recruit staff or fill vacancies.

“So we do utilize our local colleges. So on one hand, it's really great in the summers. But when it goes back to school time, I've got like these little holes that I've gotta fill with whatever else I can find. And so the only place I've reliably been able to hire anybody is Indeed. I've tried Michigan Works, I've never got anybody to apply on Michigan Works. When we were first trying to hire, we did the Facebook thing. And, oh, my God! The candidates that we got from Facebook was so bad and just people wouldn't even call me back... Somebody said something about [hiring] on LinkedIn, I don't even know how to do that on LinkedIn.”

“Indeed has been our biggest way to get applicants in. We also post on the Michigan works talent connect board and we also post on our local universities for their child care. Students who are looking for work, but so far Indeed has been our biggest one. But you know that also costs money, and it's expensive because they want \$35 an application. And again, you know, when we're getting 100, and a lot of applications are not even truly looking for a job that's costing us a lot of money out the window. We post on Facebook. So by word of mouth. Fortunately, our last 2 employees that we hired were by word of mouth.”

“A lot of other barriers are hiring qualified staff. We have gone through quite a few staff, and we've only been open 2 and a half months, but when we put out job postings, I get many calls and many responses, but maybe one or two will show up.”

Given that most of the highest-paid staff in child care centers (like Lead Teachers) earn less than a bank teller, and Assistant Teachers are earning \$3.42 less than they did in 2005 (when adjusted for inflation), it is no surprise that the field faces a staffing shortage. The profession largely relies on individuals who are passionate about the work or see it as their calling.

Municipal Regulation

Dealing with municipalities, or even getting ahold of someone in one were brought up when we asked to know about barriers child care business owners were facing.

“Originally I was applying to be a group daycare, which is the larger group of kids, and the one thing you have to do for that is go through zoning through your city. And I reached out to the city multiple times, and they just never got back with me. “Oh, we'll call you back. We'll call you.” They just never got back with me.”

The influence of community voices, especially the “squeaky wheel” or “NIMBY (Not In My Backyard)” groups, can heavily influence the approval process for child care centers. When municipalities issue notices for special use permits (SUPs), the language often focuses on inviting neighbors to voice complaints at planning or city commission meetings. There is rarely any mention of the potential benefits of a new child care business, such as alleviating the local child care crisis or supporting the local economy.

During conversations with municipal planners, we learned that most negative public comments appear to be unfounded worries about what could happen (e.g., excessive noise is regularly suggested as a concern but no planners reported knowledge of found noise violations or continued complaints from neighbors). It is informative to consider the other businesses that also often go through this process: liquor stores, cannabis dispensaries, tattoo shops, massage parlors, and child care. One of these is not like the others which might point to possible solutions.

A discussion with a representative from the Michigan Association of Planners suggested that such notices could include language that raises awareness about the urgent need for child care services and the benefits these businesses provide to the community and local economy.

“When I changed over to [a group home], I was in [name of city]. They mailed out letters to everyone within a 3-mile radius. Then I had to go to a meeting in front of the planning commission and there were 5 people there, and 3 had to say yes, otherwise you couldn't do it. Well, there was this old nasty lady. she said ‘I think I'm going to have to turn you down because I think you're going to have too much garbage in front of your house.’ I was like, ‘Excuse me but what garbage?’”

“The biggest hurdle will be the zoning part through the city. They have a lot of restrictions and requirements. Community improvement like I said, zoning sent out a form to let you know. ‘Hey, this person at this address is trying to open up a child care home. Do you have any disagreements? Are you okay with it?’ And if community members say, ‘No, I don't want [that here],’ then the city council can deny you, and then you also have to go in front of city council and plead your case why this is good for the community.”

It was also unclear as to why these municipal zoning requirements were in place.

“We had to get a special use permit. And they were talking about how we have to have some sort of occupancy thing, and I don't know if that's gonna cost any money... we cannot be located within 500 feet of any other licensed group daycare home. I live on the corner of one street, and there's a child care right next door to me, and then across the street and one over there's a child care, and if I go one block east and one block north, there is another one on that corner as well, and so like they must all be family home... but like why? Why is that like? Especially when we're in a [child care] desert.”

“I can't have a group home [where I am] because it's not zoned for that. They won't check, they won't change, they won't fix it. But now somebody right about 3 minutes from me is zoned for [group care], so I don't get that.”

A center co-located with an assisted living/memory care facility faced a unique issue of being unable to get the city to allow them to have their own address.

“One issue we had was we couldn't get our own address. We rent from an assisted living/memory care facility that is next door to us. That was the prime reason for us moving here so we can do intergenerational care between the children and the residents at this assisted living facility. So we rent from them, but the city would not allow us to have our own address,

because we're all on the same parcel of land. This has really caused problems with mail delivery and package delivery. We have stuff that gets lost, and because they deliver it to who knows who over there and we never see it. The other thing is being able to expand. We want to open an infant child care section to our center and we had to go through a lot of hoops with the township in their ordinances, being able to get the permit to expand.”

In some cases municipalities impose additional requirements on required square footage for indoor and outdoor spaces. Licensing regulations require 1,200 square feet of outdoor play space for a center, 400 for a family and 600 for a group home.

“So the county rules when so they don't want zoning [no need for special zoning or use permit] if it's [for a family child care home serving] 6 [kids or less]... But to increase the group they want it. They didn't follow state of Michigan guidelines, they had their own guidelines, and so they wanted me to operate as if I was running the center. So they wanted me to put up a privacy fence. The application [for a special use permit] by itself was \$450, and I had to get approval from my neighbors. Luckily I stay in an area where there's a lot of empty property around me, so I didn't have many neighbors. So that was lucky for me. But I had to get approval from the neighbors. I had to put up a privacy fence, and I had to have 1,200 square feet of play area outdoors, and that's the only requirements for a center [according to child care licensing at the State].”

In many municipalities, strict regulations govern fencing, including specifications on height, material, and color, along with fees required for installation approval. Additionally, family and group homes are often prohibited from advertising their business with a yard sign or are required to pay a fee to display one.

Municipalities, particularly those relying on volunteer-driven systems, often allow individual mindsets, values, and beliefs to have a significant influence on decision-making. If the majority of planning commission volunteers hold negative views on child care—such as believing it creates noise or that it is solely a woman's responsibility—important child care businesses that support working families and provide essential developmental care for children can be blocked or prevented from expanding, hindering community growth.

Municipal leaders recommended that child care business owners recruit community members to speak on their behalf at meetings and to build relationships with local officials in advance. However, these efforts require significant time and resources. For a child care provider operating from 6:00 am to 6:00 pm, finding the time to attend meetings and lobby for their business is challenging. It also raises questions about fairness, as it is unreasonable to expect families to sacrifice their limited free time to advocate for their child care provider. Grassroots organizing among active community members should not be a required step for communities to foster and welcome much needed child care infrastructure investments. Municipal leaders we spoke with began explicitly incorporating child care into their planning process (such as updates to Master

Plans) as a way to shift the local paradigm towards a “development ready community” definition that identifies child care as essential infrastructure.

GSRP Expansion & Pre-K for All

The Great Start Readiness Program (GSRP) is Michigan's state-funded preschool program, established in 1985 and funded by the School Aid budget. GSRP sometimes requires families to meet certain income qualifications, but there is no requirement for parents to be working or engaged in an approved activity, unlike the Child Development and Care (CDC) Scholarship program. The program is administered by Intermediate School Districts (ISDs), which are responsible for recruiting locations to host GSRP classrooms.

According to the GSRP State Evaluation 2022-2023 Annual Report, currently, "Approximately two in three classrooms (68%) were operated by schools: local education agencies (school districts), public school academies, or ISDs. The other 32% of classrooms were operated by community-based entities including non-profit organizations, for-profit companies, and universities."

There is currently a legislative requirement that ISDs must ensure 30% of their GSRP classrooms are located in community-based organizations (CBOs). However, if they cannot meet this requirement, they can apply for a waiver. Recently, Bill 5503 was voted on in the Michigan House of Representatives, which specifically attempted to remove the requirement for ISDs to share GSRP funding with community-based counterparts. This occurred in the middle of massive expansion of GSRP budgets that were publicly described by all state leaders as explicitly directed towards helping children and families and the community-based organizations that serve them.

Benefits of GSRP

21% of our survey respondents indicated they currently receive GSRP funding. We asked them to reflect on the benefits of offering GSRP. They mentioned the stability of the continuous funding, being able to use that funding to purchase new items for their centers, free professional development for their staff and access to an Early Childhood Specialist who supports their staff.

Challenges of GSRP

We also inquired about the challenges of administering GSRP. About 1 in 4 identified the per child allocation as too low to meet GSRP program requirements and that the administrative burden is too high.

“The per-child allocation for GSRP is not enough to meet the requirements of the program. It is difficult to find staff that meet the required qualifications. Many parents don't realize they qualify.”

66% indicated that it is difficult to find staff who meet the requirements, even with the ability to pay more than other programs.

For those programs that did not currently administer GSRP we wanted to know why. 40% believed they were not eligible. Half didn't believe they would be able to find staff who meet requirements and 40% believed the administrative burden was too high.

“I have applied for GSRP slots in the past but didn't receive funding for them. The local ISD claims there's no need in my area and denied my children slots.”

Others felt that there was a mismatch between their pedagogical approach and the requirements from GSRP.

“The Montessori philosophy and GSRP requirements do not go hand in hand.”

“We already have a high quality program with deep community roots, a history, and a sound loving and supportive educational philosophy. We have no interest in completely changing our educational philosophy and restructuring our business to meet the program standards of the State's program. There are many high-quality early education programs that should be funded equally and equitably whether they participate in GSRP or not. We are additionally concerned that with the expansion of GSRP, we will lose preschool students as they leave to attend a free program option. This would be devastating to our business, as the tuition we receive for preschool students, makes up for the loss we take serving infants and toddlers at a lower staff to student ratio. Inevitably forcing us to charge even more tuition, burdening families, or even having to close our doors after 45+ years of service.”

“Equitably fund all child care providers based on their licensed capacity and number of children served each year, NOT based on the programming they choose to offer. Understand that families deserve the dignity to choose what program is right for their children, and that not all children are developmentally/socially/emotionally compatible with a GSRP program. Options in the early years are incredibly important to developing healthy children.”

Currently, the expansion of GSRP is set to exclude home-based child care businesses completely. As of June 17, 2024, the proposed School-Aid Budget also removes the requirement for ISDs to partner with 30% of CBOs and mandates that CBOs pay GSRP

teachers the same wages they would receive in a school-based program. While there is no argument against ensuring higher wages for staff at CBOs, the issue is that CBOs do not have access to the same funding sources as school districts, such as tax dollars. Therefore, CBOs cannot realistically offer comparable wages and benefits in competition with large public entities that already control extensive funding sources. This additional unfunded mandate could further weaken the center-based child care system, leading to unintended consequences for families, employers, and communities.

Unintended Consequences of Excluding Homes

The Pre-K for All Roadmap mentions the need to support home-based child care businesses, proposes piloting with home-based businesses but does not truly explore the magnitude of the potential impact. Currently home-based child care businesses are ineligible to participate in GSRP regardless of teacher qualifications or utilization of an approved curriculum. **68%** of home-based child care businesses indicated that if they were given the appropriate resources they would be “Likely” or “Very Likely” to participate in GSRP.

According to data shared by the Senior Director of Policy & Advocacy at ECIC:

- Oklahoma was one of the first states to offer universal pre-k, predominantly through school-based programming. This resulted in the closure of **43%** of its licensed early care and education businesses.
- After the introduction of New York City’s Universal pre-k system in 2014, an estimated **2,700** center-based infant and toddler spaces were lost, mostly in high poverty areas as school-based programs enrolled more four-year-olds.

Michigan's child care system is already fragile and riddled with forced choices. If the GSRP expansion rolls out without concrete *and comparably scaled* support for home-based businesses, the entire ecosystem, including center-based care settings, could continue collapsing. The 15,800 home-based child care providers from Michigan circa 2000 (see historical Penn State work cited above) have almost been wiped out. As of September 6, 2024, Michigan only has 3,362 licensed homes remaining which constitutes a net loss of approximately 80% of home-based child care programs during the last quarter-century.

Funding Challenges

Child care businesses are typically funded in three ways: parent payment, child care scholarship payments from the state, and reimbursement from the Child and Adult Care Food Program. Both state funded programs, the CDC Scholarship and Food Program require different documents and require business owners to hold accounts in different systems. During and after the COVID pandemic, the state offered a variety of grant opportunities for child care business owners.

The Food Program

The Child and Adult Care Food Program (CACFP), commonly referred to as “the Food Program,” allows child care business owners to recover some costs associated with providing care and education. Although the program has strict guidelines for what must be made available during each meal and snack, it does not require specific menus. However, child care businesses are responsible for extensive documentation, including menus, meal counts, daily attendance records, child enrollment forms, CACFP applications, and provider/sponsor agreements.

Currently, child care businesses are only eligible for reimbursement for up to two meals and one snack, or one meal and two snacks per day. For children who require 12 hours of consecutive care—such as those whose parents are nurses, doctors, or factory workers working overtime—businesses cannot be reimbursed for all meals served.

Reimbursement rates for [child care centers](#)²⁵ and [homes](#)²⁶ are determined by several factors, including household income and the income of the families being served. Similar to the CDC Scholarship, there is a discrepancy in reimbursement rates between center-based and home-based child care, with home-based businesses receiving less per child, except in the "PAID" category for child care centers.

CHILD AND ADULT CARE FOOD PROGRAM(CACFP)				
<i>Per Meal Rates in Whole or Fractions of U.S. Dollars</i>				
<i>Effective from July 1, 2023 - June 30, 2024</i>				
CENTERS		BREAKFAST	LUNCH AND SUPPER¹	SUPPLEMENT
CONTIGUOUS STATES	PAID	0.38	0.40	0.10
	REDUCED PRICE	1.98	3.85	0.58
	FREE	2.28	4.25	1.17
ALASKA	PAID	0.58	0.66	0.17
	REDUCED PRICE	3.36	6.50	0.94
	FREE	3.66	6.90	1.89
GUAM, HAWAII, PUERTO RICO and VIRGIN ISLANDS	PAID	0.47	0.53	0.13
	REDUCED PRICE	2.65	5.14	0.76
	FREE	2.95	5.54	1.52

DAY CARE HOMES	BREAKFAST		LUNCH AND SUPPER		SUPPLEMENT	
	TIER I	TIER II	TIER I	TIER II	TIER I	TIER II
CONTIGUOUS STATES	1.65	0.59	3.12	1.88	0.93	0.25
ALASKA	2.63	0.92	5.05	3.05	1.50	0.41
GUAM, HAWAII, PUERTO RICO and VIRGIN ISLANDS	2.12	0.75	4.05	2.44	1.20	0.33
ADMINISTRATIVE REIMBURSEMENT RATES FOR SPONSORING ORGANIZATIONS OF DAY CARE HOMES <i>Per Home/Per Month Rates in U.S. Dollars</i>			Initial 50	Next 150	Next 800	Each Additional
CONTIGUOUS STATES			142	108	85	75
ALASKA			230	176	137	121
GUAM, HAWAII, PUERTO RICO and VIRGIN ISLANDS			185	141	110	97

¹These rates do not include the value of USDA Foods or cash-in-lieu of USDA Foods which institutions receive as additional assistance for each CACFP lunch or supper served to participants. A notice announcing the value of USDA Foods and cash-in-lieu of USDA Foods is published separately in the *Federal Register*.

CACFP, often called “the Food Program” by child care business owners, was brought up during an interview.

“Yes, I'm doing [the food program], and that's another one that I don't know how they pay \$3 for lunch and a dinner when you have to pay more than \$3 even for an item, and they said, for breakfast, I think it's a dollar or something, for snack is like 95 cent. I said ‘you should tell me how many snacks are 95 cents.’”

Conversations with those in the early childhood support system reveal that some child care businesses are opting out of the Food Program due to its administrative burden and inadequate reimbursement. The program also requires on-site visits which can involve negative power dynamics.

Child Care Business Grants

Many child care business owners (55%) reported receiving grant funding in the survey. The grant funding offered during and after COVID was life changing for many child care business owners.

“[The State] are opening up their eyes to our needs and they've been coming out with grants... they had the one to help you get supplies and to help you get things for the house.”

“I utilized some of that grant for parent tuition. I used most of it for things like supplies and toys. I had equipment that needed to be thrown away, and

new stuff needed to be purchased. So I utilized it for that. I've never even paid myself out of all those grants. I just started running myself for payroll, and it's crazy because I never thought about myself as far as having that extra payroll, or whatever."

"Yeah, so last year I got 3 grants. I can't remember what they were called, but I got all 3 of them. There was like a Spring, a Summer, and a Fall one and I used pretty much all of that money. I paid myself a little bit, but I spent a majority of it on taking care of things. We got a new play set. We got new furniture in the daycare, just a lot of different things."

Facility Improvement Grants

The Facility Improvement Grants administered by IFF were intended for capital improvements to homes and centers and were frequently mentioned by child care business owners. While child care business owners were excited about the opportunity, many shared that there were strict and sometimes unclear limitations on what the grant money could be used for and the grant opportunity unexpectedly closed prior to its original end date.

While this can be the nature of grant funding, the unexpected grant closure and unclear funding restrictions made the opportunity difficult and confusing for child care business owners. Some child care business owners also identified issues with eligibility criteria across different grants:

"The grants are wonderful. Honestly, they really are. I think they need to stop being such sticklers about what we do with it like we're grown adults running a business. I think we know what to do with our money. You know, it's just like you gotta do this, this and this like they wanted me to expand my daycare. How can I expand my daycare if you're not gonna pay for the framing. You're not gonna pay for the roof, but you'll pay for the drywall, and you'll pay for the flooring. I just it--made no sense; how do you expand?"

"Rosanna helped out a ton [with the grants]. And then I have my tax lady, you know, she's like, "okay, you need to start spending this." There's a lot of them girls that will cry on the group about paying taxes on that grant money. And it's like, listen, you guys, they already made it clear that if it's a new toilet and it's not just for the daycare you got to do time and space on your taxes for it... So I think a lot of the girls got excited about getting this big money...and they just weren't prepared."

"So I didn't have a problem with that [grant denials], because I kind of know how to read between the lines and understand, you know, like It's all about your wording, and when you apply for the application, and say you can use

it for this, but it's how you word it... We had a webinar where the provider was like, "Hey, I need a deck added on." So they denied it because she worded it in the application like she needed a brand-new deck and I wanted to tell her so bad when you keep wording it wrong you keep getting denied. You have to take pictures of the side that needed to be remodel, even if you had a small deck and you wanted to make it larger. Take a picture of the broken pieces and the damage to the wood and stuff."

"They didn't even know that they were eligible for the grant and it's unfortunate because a lot of them thought you have to be increasing or expanding to be eligible. And that was kind of unfair, because how can I really expand too much in a house? And then, if I do expand to 12 like I did, how can I afford to pay another staff which is required by the State? If you expand 12 you must have an additional staff on payroll. So, it was kind of unfair. Luckily, I got my husband, and sometimes... he works for free! So that was kind of unfair, and it kind of eliminated a lot of people."

"We have these grants, but the money couldn't be used to add additional square footage. So while I qualify for the grant I couldn't open up any more spaces than what I already had, so it didn't do anything to alleviate the crisis that we're having"

System Errors with No Human Support

Some child care business owners encountered issues with mandated public systems that led to inability to access public funds designed for their child care business:

"Now I was trying to apply for one and when they didn't send me a link I called and asked. I was told I didn't finish the survey, but I had 3 times just to make sure I did it. But I didn't put my license number in, I don't know how I missed that, but they said I missed something on the survey so I missed out on the grant."

"But then, all of a sudden, these grants start coming in. The first one was exciting until they started, saying the Feds gave it to the State, and the State gave it to Great Start [to Quality] to give us. Nobody was trained. So then[we were told], "you spent it wrong...so you're going to owe it back"...I'm at home and I will call and blow up your phone. So I finally got through to Whitmer's office. And whoever I talked to there, I told her, "do not blow me off if you're not gonna help me out. Just let me know now, and I'll go somewhere else." So I'm explaining it to her. And she goes, "So what do they want you to do? Bring back your hand, sanitizer, and all this stuff, return it to pay for it?" I said, "That's exactly what they're telling us. Because how else are we gonna pay it back? We have no money. We're not working." So, somebody took care of it within 2 weeks we heard, 'You're good.'"

Due to how these grants were administered, some child care business owners felt that they could not trust the State's intentions or reliability in offering support:

“And the first ones we get during Covid was a mess. Great Start [to Quality staff] got tired of dealing with us, because, you know, here's one grant, and then also there's another one. But this one's going to be different. You gotta do different things. And it was like Great Start [to Quality Staff] was really, truly never even trained properly. So then they got all the backlash from us providers... I know, because my Great Start Lady said, “Oh, no, no, we don't know nothing about this new grant.”

Parent Payment

As captured below, child care business owners commonly agonize about raising rates for people who are paying out of pocket. Many are also not willing to kick families out simply because they cannot pay. This happens very often during the waiting period to be approved for a child care scholarship.

“One of the kids I have part time she's DHS (uses the child care subsidy), and then the other 2 are pay out of pocket. So that's a a hurdle right there, because sometimes you might get your money, and sometimes you might not. Sometime you might get some of it, and sometimes you might not.”

“When I first started needing daycare, I was subsidy. You know what I mean? I wouldn't have been able to afford to take care of my 2 kids and day care and go to work. That was ridiculous! Now I charge \$175 a week. I'm trying to get brave to go to 200, because a lot of my friends are 200 a week. When I was in the city I was \$2.50 an hour, and that was 9 years ago (2014). But I went to \$3.50 an hour, and then the first cash parent I met when I went to \$3.50, she said, oh, you wouldn't go no lower, and I'm like, “oh, my God! I just felt like really gruesome, and you know, like no, I can't.” But I've got 2 families that are cash. They're barely making it. And to charge them \$350 a week? I just feel awful.”

“A lot of us are working poor, they needed child care for 2 kids. Child care is expensive, I have people paying 40% of their income every month on child care. Going through DHS is horrible. It's truly a demeaning and demoralizing experience.”

CDC Scholarship

While all child care businesses are eligible to choose to receive CDC scholarship funding the process to do so is complex and administratively time consuming. Child care businesses are currently required to bill through the I-Billing portal; which is

another website child care business owners must keep track of with its own login and Pin number. Records for billing and attendance must be maintained for 4 years before the date of care and made available upon request.

In our analysis of data provided on the Great Start to Quality website, less than half of programs reported a willingness to accept CDC Scholarship payments. On a related note, the Michigan League for Public Policy reports that Michigan's investment in the CDC Scholarship program has drastically declined since 2003. At that time, Michigan was the 11th highest nationally, averaging \$1,556 per child per pay period. By 2013 this allocation dropped to the 11th lowest, at \$336 per child per pay period. Michigan's decline was the sharpest of any State's. For further information, see CDC Caseload and Spending Trends FU 2003 - 2020.

Unfortunately the system is also plagued by stigma and systemic issues with staff turn over. Even when trying to make changes, the impact is often limited for families.

“On June 23, 2022, Gov. Gretchen Whitmer expanded the income eligibility for CDC subsidies to 185% of the federal poverty level. The change means that up to 105,000 additional children in Michigan will be eligible for the subsidy. However, the proportion of families eligible for the subsidy who actually enroll remains low. Currently, only about 10% of children aged 0 to 11 years in households with incomes below the new eligibility threshold receive subsidies” ([Poverty Solutions at University of Michigan, October 2022](#)).¹¹

It remains to be seen if the removal of the requirement that a parent have an active case with child support will increase utilization. Other systemic processes remain, creating a quagmire for child care business owners who want to help families. Parents are required to *be working already* to qualify for the CDC Scholarship. Once their application is received, the State has a number of days to review it, request additional documentation as needed and approve it. Child care business owners are put in the position of deciding whether or not to charge families during the period or wait and see if the family will be approved and that they will be able to bill retroactively for that time.

This section specifically covers the experience of CDC scholarship with licensed child care business owners. More research should be done to listen to and learn from license-exempt child care providers, both relatives and non-relatives, to understand their experience with this system.

Venture Capital

Public-private partnerships are often crucial for addressing complex problems in today's world. Michigan, like many other states, invests in private businesses to support public programs and enhance community well-being. However, many stakeholders in the child care field have raised concerns about how Michigan allocates funds that are supposed to benefit child care businesses and families in need.

For example, according to WonderSchool’s public website, the company received over \$6.1 million from MiLEAP (Michigan’s Department of Lifelong Education, Advancement, and Potential) through funding from the American Rescue Plan Act. Some child care businesses feel that WonderSchool is benefiting at the expense of the local child care businesses that do the actual work. One provider expressed their concerns:

“And then there's this WonderSchool. And they're like, but you need to have this website, cause they're like making me feel bad because I'm not like finishing my profile or whatever. Cause eventually it's gonna run out [state funding for using WonderSchool] and they're wanting us to like, change our way we do our payment plans. I didn't change any of it. They wanted me to start, get off of KidCare and go to their stuff, and that was my thing I didn't want to do, because I'm like, I love the way my parents pay me now. I love kid care. I love how I run my business. So I didn't change, you know? I use my own daily connect app. I pay for that out of my own pocket. But they're like this would be free. But for how long? [then I'd have to] change everything back? And they're going to be making the money? And they're probably making a fortune.”

This provider's perspective highlights concerns about the partnership between public programs and private companies. Public programs should protect citizens from potentially predatory partnerships with private equity firms. At the time, WonderSchool was offering child care businesses a three-year contract in which they would take 10% of all business *revenue*—an unprecedented contract that raised alarms among businesses and systems professionals alike. Even those familiar with WonderSchool were unaware of the potential fine print and future costs involved in such agreements. Michigan’s contract with WonderSchool placed the private equity firm as the gatekeeper for all licensed child care businesses in Michigan to access key grant funding opportunities.

Stuck at Home

Running a child care business from home presents unique complexities. While home-based businesses face some of the same challenges as those working outside their homes, there are also distinct differences. These businesses often offer a range of hours, with some providing 24-hour care, but the average hours tend to be from 6:00 am to 4:00 pm. Home-based businesses also typically charge lower tuition rates than center-based care.

“I don’t know. I just don’t keep it separate. It’s just kind of a voice in the background. Day care is always in the background.”

“It's hard to separate your personal life from your daycare life...I feel like I eat, sleep, breathe daycare. It has its own space, but everything that I put

into our house is for daycare, groceries and supplies. I had damage to my car because one of my daycare kids flung their door open and smashed my car. There's so much wear and tear on your own stuff. Yes, I have to pay for supplies, you assume that when you start, but just fixing the things that kids break by being kids, is a big chunk of money that I wasn't planning on when I started. I mean, I figured, replace toys once in a while, or you know, paper or paint and those kinds of things. But you know, I had a kid that peeled up a giant hole in my carpet, so I had to replace my carpet."

"We don't have a personal life. It's time to [expand] to a center, because, like I said, I got teenage children at home. If they're not at school or at work, they have to stay in their rooms because we utilize the entire downstairs for child care. So that's an inconvenience for them... You know they don't have a home life because they can't come out or be in the living room or the dining room, you know, during hours of operation."

Boundary setting was easier for some:

"Everybody knows to not come over and visit during my open hours, because I need to focus. And now that we have that room that is just for my daycare, kids, it's easier to balance because I don't have them all in my living room, because they were all over the house. And then we have a door on the side now, and we go right on out we go to the play area, so that you really like the physical separation has been really helpful for y'all I've had to make rules like I need your schedules. If your schedule changes, I need it by 6 o'clock on Friday. Do not call me on the weekends. I don't want you to call me, text me, nothing. And I really had to--I mean we'd be up north somewhere, and I got these parents, "could you tell me what they ate yesterday? Because their poop is purple?" You know what I mean?... I don't really wanna think about your kids on the weekends. I've had to make that a rule. Do not call me on the weekends. I'm not trying to be rude."

"I have parents to contact me all the time. Which is fine, like I, wanna you know, if they have a question I don't wanna leave them waiting until the next day, so I will answer them. But it is a struggle that is especially a struggle for me because I wanna be available to my own kids and my family, or whatever. So I don't wanna turn my phone off. But I can't see a message from a daycare and then just ignore it. I think that I have an easier time separating than most people, just because I have that separate space, but it's still there. It still creeps in."

We asked whether the child care business had ever caused stress in their family:

"It probably causes me more stress than it causes in the family. It causes my kids sadness sometimes because I miss out on all their stuff, you know? One just had a donuts with grown ups thing the other morning at school I had to say, sorry I can't go. I've got kids coming early that day so they miss that Mom doesn't get to go in for field trips and that kind of stuff."

That probably causes some sadness there, but as far as stress, they don't understand the business side of it, so they're not stressed out by it. My husband doesn't get stressed out by anything. I'm the only one. I just carry all the stress all the time."

We also asked them to estimate how many hours they typically spent a week providing direct care and doing all of the other tasks that need to be done for their business to operate:

"Right now we have kids in care from about 5:45 in the morning to 8:30 at night five days a week...and being conservative I spent another 25 hours a week on grocery shopping, getting activities ready, laundry and cleaning."

"Right now? We're doing 7 to 5:30, and on Friday we close at 4 and... at least 20 hours a week, [on other work for the daycare]."

"I'm open 9 and a half hours a day, and I pretty much have kids the whole time depending on the day...cleaning, doing laundry, going shopping, meal, prepping all of that thing, I would say at least 10 or 12 hours extra during the week."

"I am open 24 hours... I have kids that come as early as 5:30 in the morning and I have kids that go home as late as one o'clock at night."

"I have 3 part-time children for actual day care, and then I'd say a good 20 to 30 hours a week outside of that. Once they leave during the day I have to clean and wash everything. I make sure I keep up with the paperwork, because it can get kind of hectic."

Home-based child care businesses are often isolated by the nature of their work. There is a national understanding that these businesses need connections with others who understand their experiences. This type of support however, was asked for by home-based child care business owners and would likely help reduce feelings of isolation, loneliness and burnout. One person who was interviewed spoke warmly about a group that she and other home-based child care business owners formed.

"There are 10 of us that get together from [city]. We have one that comes in from [city] because she says all her providers are snotty. And we have a dinner. It is the [same day] of every month. We meet somewhere, and we have dinner, and we talk and we complain just you know all that, and the neat part about it is, none of us really knew each other too well before we started that and we're all friends now, like we were drawing names last night for our Christmas party for next month. And you know, we share what's going on with our kids and our families... because I can talk to my neighbor and complain about the daycare, and they're just like, "oh." But when you're with another provider that really knows what you're talking about [they get it]."

Closing Doors

The current 4-year closure rates in excess of 50% (half of licensed businesses that were active 4 years ago are now closed) are staggering, but perhaps not surprising.

“We had a center. It just closed a couple of weeks ago but there's just so many things that go into a center that most people don't have the funds to do. You know the fire system, just everything as far as a building. You have to have certain requirements to keep everybody safe, and everyone understands that. But they don't understand how much money goes into that. And the average person doesn't just have endless funds to create the space that needs to be created. So even if they did have the funds. there's no space.”

Entering the Field

We asked interviewees what they would say to someone considering opening a child care business or becoming a staff person:

“Truthfully, I would tell you I would say no, absolutely not. I love my job. I love my kids. I think I would keep doing this, even if I didn't have to do this to pay the bills. But at the same time, why would you put yourself if your schooling and your background isn't in working with kids? If you're doing it just because you like kids, or just because you want to work from home for your own kids then don't. You're gonna close in a year and a half, I don't mean to say that like to be mean. But most of them will open for a year, 2 years, maybe, and then close, and they realize, “hey, it's not just me hanging out at home with my kid and a couple of other kids. I mean, there's so much other stuff going into it.” So I've been helping some of the new providers in my area.”

“I would say to keep the faith and don't give up because it's only a test. If you don't know it's like you have to figure it out. You have to call this person. You have to call that person. You just have to have the patience to do so, and to remember that you know the end goal is to get licensed. You're going to go through heartaches and pains, and some nights where it's like I'm just done with it all. But just remember, your end goal is to get licensed, and you're not only doing it for yourself but you're also getting ready to help these parents who need help. That's what I would say.”

“I will actually say to them, is this the field you really want to be in? Because you have to have love and care and patience to do this job. If you're just in it, just to get a paycheck and your heart and your mind is not in it for the kids and the family, then you probably will be doing the wrong thing.”

“I would tell them that it's a rewarding experience. It has to be something that you want to do. It can't be something you just want to get into because you want to make money because you're not going to make it, you're not going to make what you think you want to make. When people come into this, they need to understand that you're here to nurture a family, a child. your whole community and everything, that's going to encompass everything and that's going to be the reward that you're going to get. And then they come back and say, Oh, I remember you, you were my teacher and I'm doing this now, and I'm doing that now. You know that you've made an impact. You might never see it immediately. It'll take years for you to see it. But if this is what you want to do, and this is your passion in your life. This will help you get there.”

“I would tell them, run, find something else. There's all these other big employers in town. Go work there.”

“Run. The way it is now and the way it's been, it's just... it's just exhausting.”

“I would say, the need is definitely there. But make sure to do your research, because it is a tough process, getting all of the paperwork, you know, in line, making sure all the inspections and everything are done. And again, that's all so costly. It's it's hard for like, if I wanted to go open a center right now, there's no way I could do it on my own.”

Child Care Staff Reflections

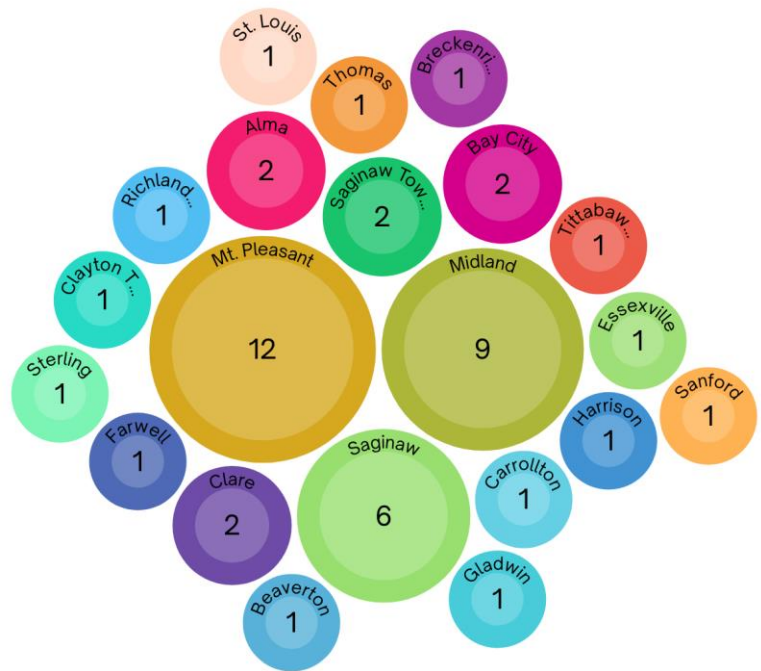
The staff who responded are predominantly White, with **75% (36 out of 48 participants)** identifying as such. Smaller groups include **12.5%** identifying as Latina/o/x (**6 participants**), **8.3%** as Multi-racial (**4 participants**), and **4.2%** as Black (**2 participants**).

The age range is diverse, with the largest groups being younger adults aged 21-30 (**29%, or 14 participants**) and those nearing retirement aged 51-60 (**25%, or 12 participants**). This mix indicates a broad spectrum of experience levels, from newcomers to those with significant life experience.

Employment Settings, Locations, and Age Groups Served

The majority of childcare workers are employed in formal, structured settings, with **37.5%** working in centers for school-age children and **33.3%** in centers without school-age children. Additionally, **16.7%** work in family child care homes, with smaller numbers in group child care homes, out-of-school programs, and school-based pre-kindergarten settings.

Most workers care for infants, toddlers, and preschool-aged children, with a smaller proportion focusing on school-age children. In terms of service location, **56.8%** of workers provide care in small cities or towns, followed by **18.2%** in rural areas, **13.6%** in suburbs near large cities, and **11.4%** in large cities. Commute times vary, with most workers commuting between **5 to 20 minutes** each way. All workers have reliable transportation, but **1 out of 44** lacks reliable internet access.



Training and Experience

The majority of workers received orientation training at their current place of employment, indicating a strong focus on preparedness in their roles. Additionally, most participants have received training in First Aid & CPR, Mandatory Reporting of Abuse & Neglect, and Child Development before starting their roles, with some also trained in Discipline & Challenging Behaviors. A slight majority (**54.5%**) have previous experience in different childcare settings, often continuing in similar roles, while **45.5%** are new to the field.

Income and Financial Struggles

The study reveals that a significant portion of the childcare workforce faces considerable financial challenges, 42% reported that their income does not meet their needs, only 18% reported that their income always meets their family's needs.

Overall, 78.6% of workers state that their income does not adequately cover their family's needs, reflecting widespread reality that there is financial insecurity across the workforce.

Despite household incomes ranging from **\$5,000 to \$130,000** per year, the large majority of workers feel their income is insufficient. This financial strain is further compounded by several hardships experienced over the past year:

- **54%** struggled to pay bills, often needing to prioritize which to pay.
- **49%** were overwhelmed, leaving no time for self-care due to their responsibilities.
- **20%** experienced food insecurity, often skipping meals.
- **14%** dealt with unstable or inadequate housing.
- **17%** faced transportation challenges, such as lacking gas or public transit.

“I have to work 3 jobs to support myself because I am not paid enough”

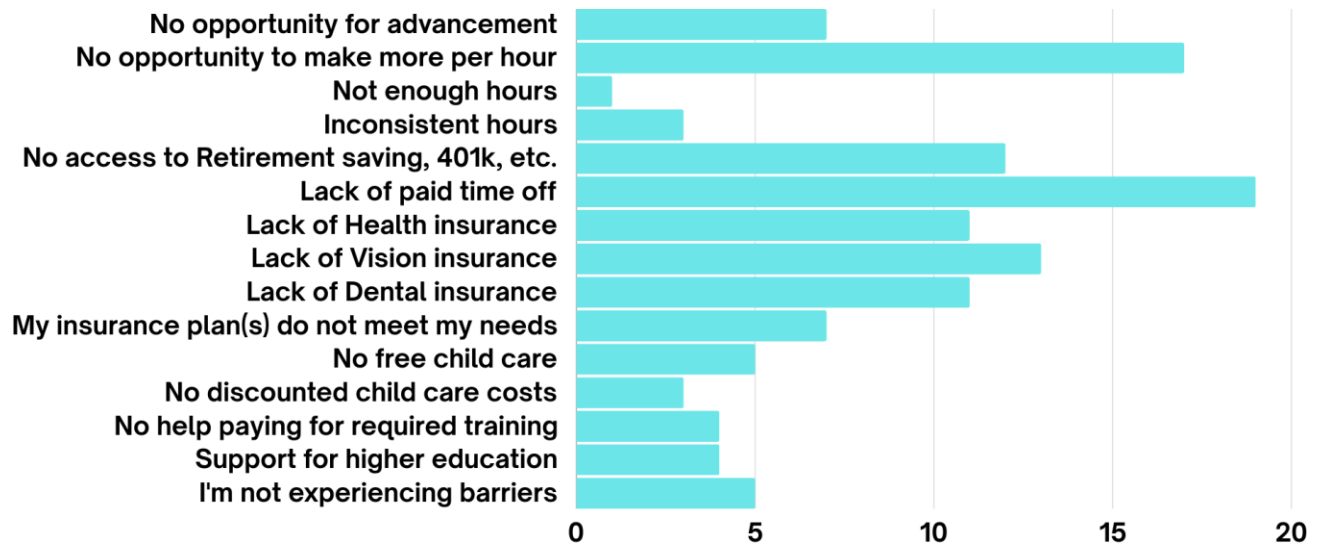
These findings underscore the significant financial and personal stress these workers endure as they navigate economic difficulties and strive to meet their basic needs.

Needed Benefits and Workplace Barriers

The study reveals that the most needed benefits are **health insurance, flexible work scheduling, paid sick leave, and paid time off**, desired by 57% to 71% of participants. Other significant needs include **retirement plans** and **affordable or free child care**. However, workers face several barriers that make it difficult to meet their needs:

- **No opportunity to earn more per hour** and **lack of paid time off** are major challenges.
- **Inconsistent hours, lack of health and vision insurance, and no access to retirement savings** are common issues.
- Some workers report problems with **insufficient insurance coverage** and **no free or discounted child care**:
 - **“I have insurance provided. But it's not good. High deductible, not much covered. Expensive to add a family.”**
 - **“Health care is very expensive and not good at all. Very little PTO/SL”**

What barriers are you experiencing at work that make it challenging to meet your needs? (n = 44)



Retention

23.8% of child care workers from the current survey were actively looking for other jobs. All described an inability to make ends meet with the compensations in the field. However, **9 out of 10** of these workers would prefer to stay in the field of early care and education, indicating a strong commitment to their profession despite the challenges.

Businesses and Employers

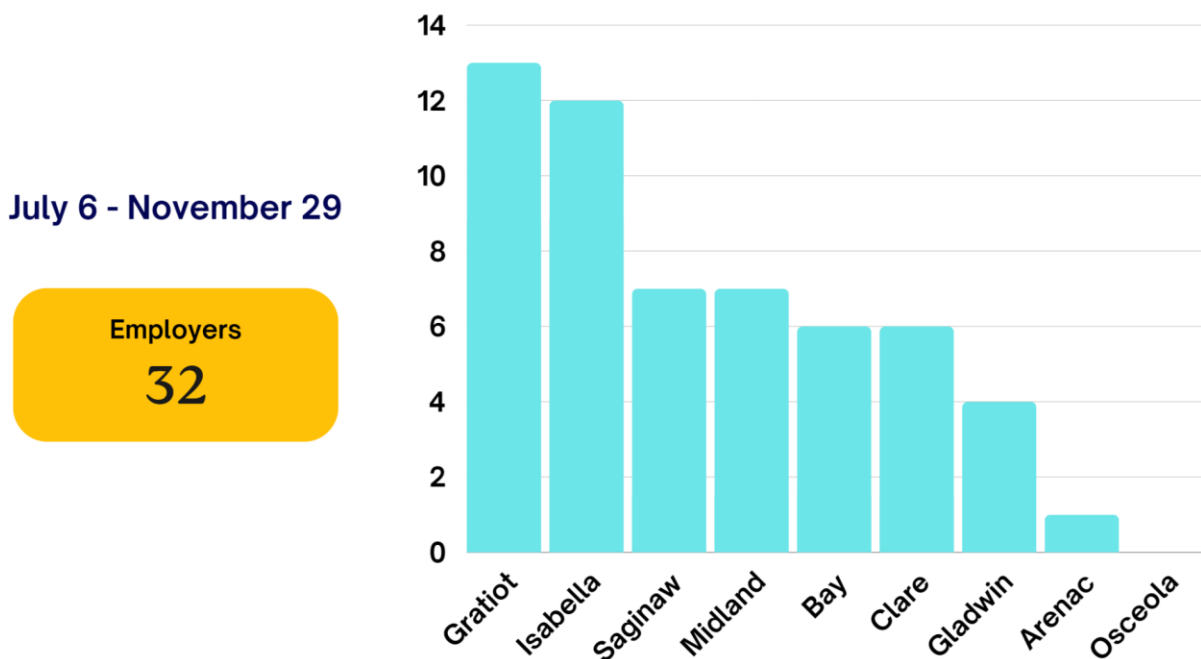
Child care challenges have emerged as a critical factor affecting businesses across East-Central Michigan, particularly in their efforts to recruit, retain, and support employees. This section provides insights from local business leaders who participated in the East-Central Michigan Child Care Coalition's Employer Survey, highlighting how the lack of accessible and affordable child care impacts their operations and workforce stability. Business leaders were also asked about their current practices and what policies and resources are needed to support both businesses and employees.

Respondents

The survey gathered feedback from 32 local business leaders across a range of industries, including healthcare, engineering, manufacturing, education, and finance. Geographically, the businesses were spread throughout East-Central Michigan, but largely from Gratiot, Isabella, Saginaw, Midland, Bay, and Clare Counties. The remaining counties had few (Gladwin, n = 4; Arenac = 1) to no responses (Osceola).

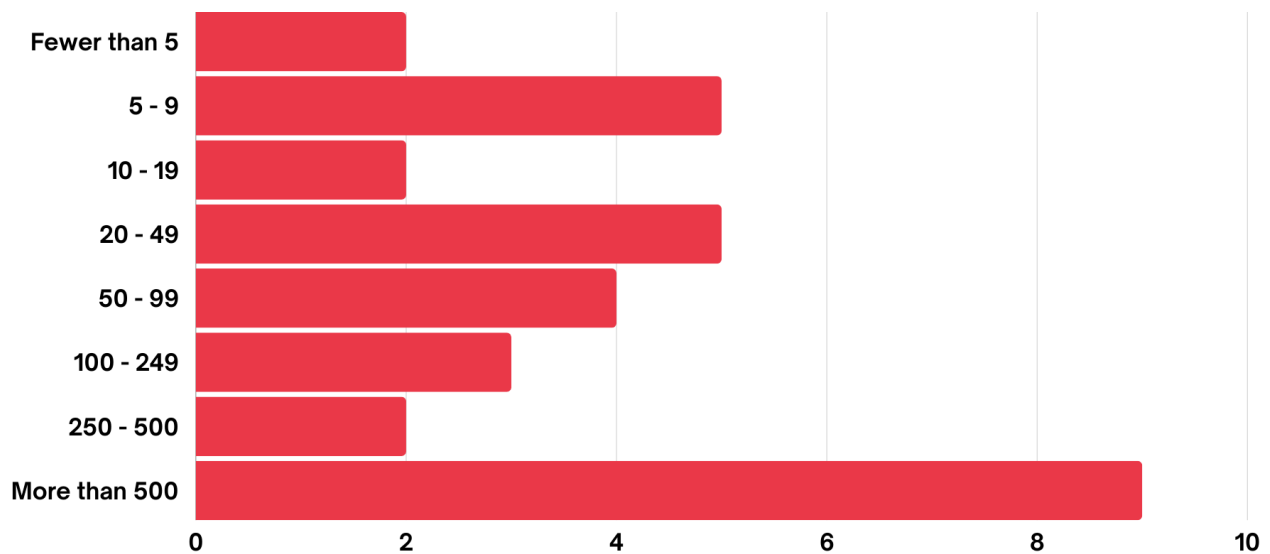
Accordingly, the majority of respondents operated in suburban areas near large cities, while others were based in small towns or rural regions.

The businesses surveyed included many non-profit organizations (44%) and privately-owned companies (41%), and a minority of respondents (15%) reported being either a subsidiary of a larger corporation (n = 3) or none of the above (n = 2). This breakdown



of business type reflects a diverse economic landscape.

Respondents also varied in company size, with 28% representing large organizations employing more than 500 people, while smaller companies made up the remainder. The policies of the larger employers will have a disproportionate effect on the overall workforce. For comparison, the large employers will represent 4,500 employees at minimum, while the other companies will represent 2,479 at a maximum. See the chart below for a description of staff sizes by each employer respondent.



Of the employer responses, 28% identified as an employee subgroup (n = 9), while 72% identified as owners or management (n = 23). Among the employers, healthcare was the most represented sector, accounting for 47% (n = 15) of respondents, followed by engineering or manufacturing at 12.5% (n = 4).

Only 3 out of 32 employers reported 51% to 75% of staff being salaried with none reporting rates above 75%. The most prevalent response was 1% to 25% of employees receiving salaries (n = 17) and more respondents indicated no staff receive salary (n = 5) than there were responses above 50% (n = 3).

Of the 32 employers surveyed 17 (53%) stated that they have non-traditional work hours for their employees. 16 (50%) stated that they have inconsistent work schedules. 10 (31%) stated that they had short-notice schedule changes. Healthcare is highly represented in this survey data and that may be related to the high percentage of the non-traditional work hours and inconsistent schedules.

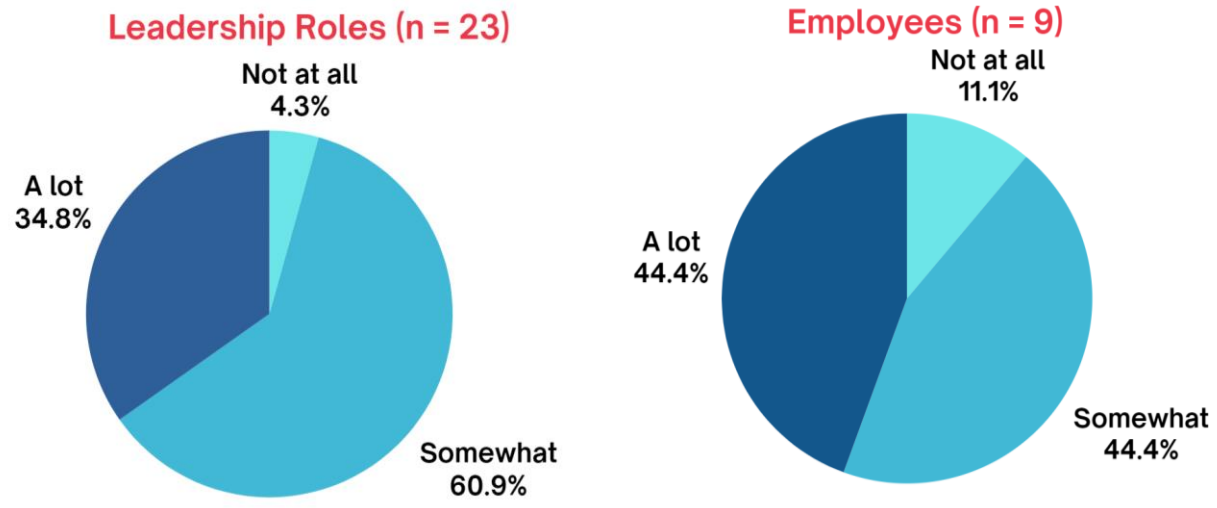
Employers also indicated the rate that their employees have children under the age of 13 years:

- 47% (n = 15) indicated that 26% to 75% of their employees have young children.
- 22% (n = 7) indicated that 1% to 25% of their employees have young children.
- 15.5% (n = 5) indicated that above 75% of their employees have young children.
- 15.5% (n = 5) indicated they were unaware of the rates.

Barriers to Recruitment and Retention

A significant majority of employers (96%) acknowledge the shortage of child care options as a major issue impacting workforce management either “Somewhat” or “A lot”. Over half of the employers surveyed (61%) stated that the lack of available child care directly hinders their ability to recruit and retain employees, with these challenges being particularly acute in industries requiring non-traditional work hours or inconsistent schedules, such as healthcare and manufacturing.

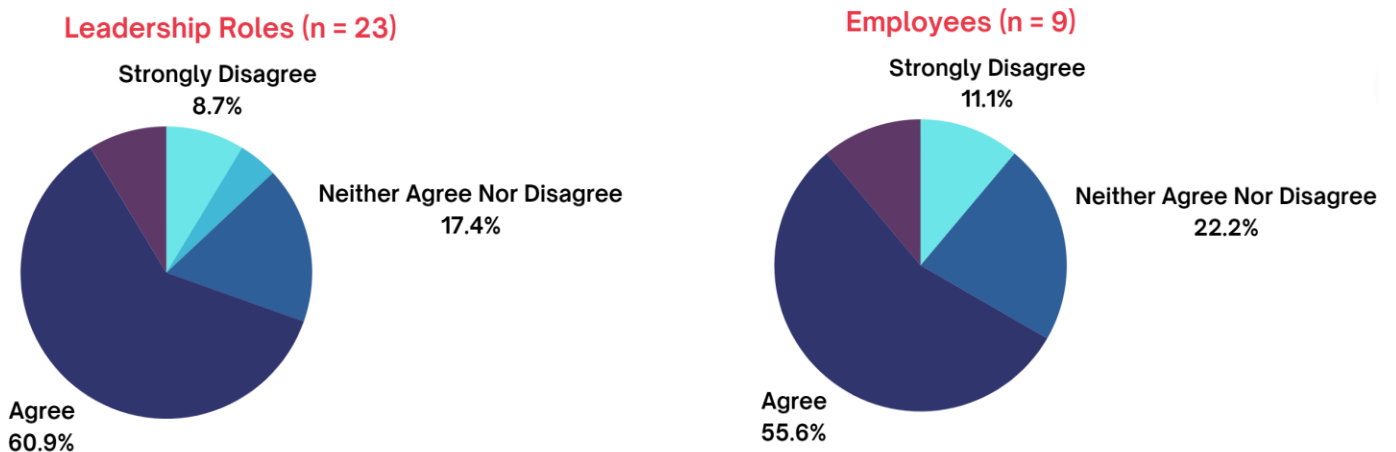
Reported effect of child care availability on recruitment and retention.



One business leader noted:

“There are no openings, and there is a long delay and much stress in finding a reliable, quality child care provider for children. Employees are on waitlists before they are even pregnant to reserve spots.”

Child care issues experienced by my employees are negatively impacting my business/worklife.



Employers also reported that the scarcity of child care options forces many employees to rely on informal care arrangements. Such

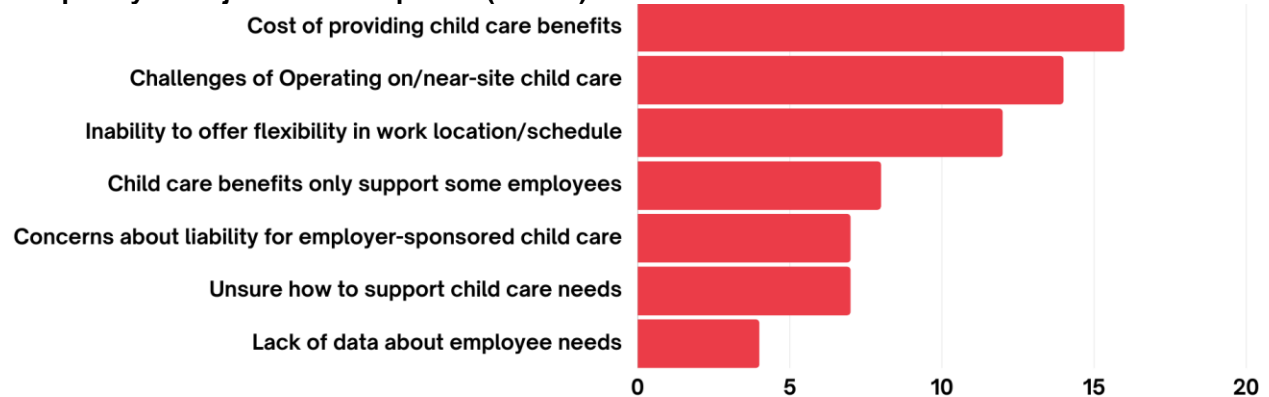
arrangements are often unsustainable and contribute to employee absenteeism, turnover, and reduced productivity. A respondent shared:

“Because there are so few childcare options available in our area, most of our employees rely on family to take care of their kids while they are at work. Sometimes family members are unreliable, and employees are left scrambling to find childcare at the last minute, or they can’t make it to work because they couldn’t find anyone.”

Barriers to Providing Child Care Support

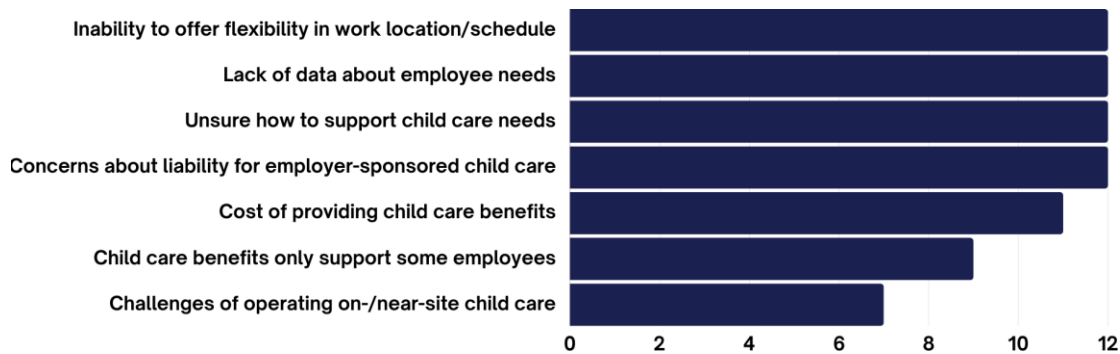
Businesses in the region face multiple challenges when attempting to support the child care needs of their employees. Key barriers identified by employers include the high cost of providing child care benefits (84%), the inability to offer flexible work locations or schedules (75%), and difficulties in establishing on-site child care facilities (66%). These barriers are further complicated by regulatory compliance issues and a lack of technical knowledge needed to implement child care-related policies effectively.

Frequency of Major barriers reported (n = 32).



Of the major barriers to changing workplace policies, the top 3 are cost of providing child care benefits (50%, n = 16), challenges of operating on/near-site child care (44%, n = 14), and inability to offer flexibility in work location/schedule (38%, n = 12).

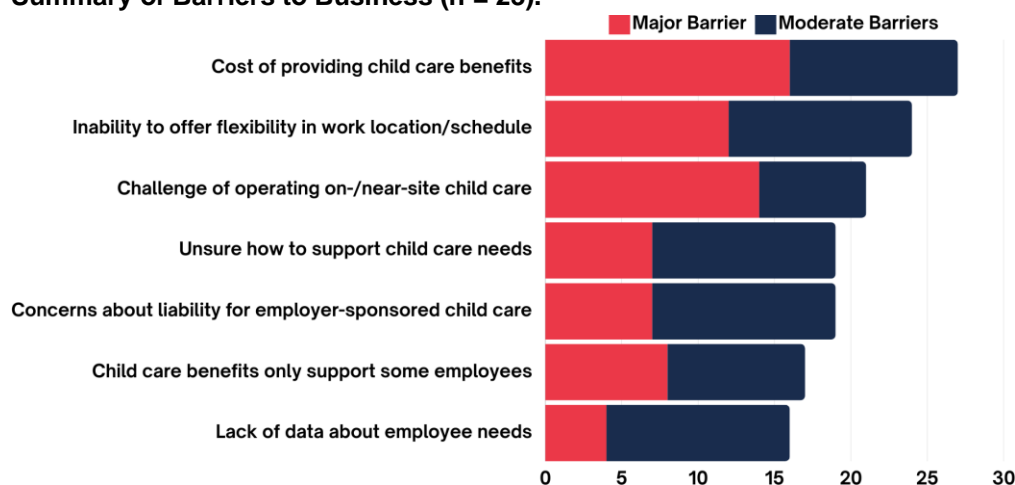
Frequency of Moderate Barriers Reported (n = 23).



There were 4 areas deemed to be moderate barriers with 12 of those 23 surveyed (52%). Those barriers were: inability to offer flexibility in work location/ schedule, lack of

data about employee needs, unsure how to support child care needs, concerns about liability for employer-sponsored child care.

Summary of Barriers to Business (n = 23).



The top 3 barriers according to both employees and employers are: Cost of providing child care benefits (84%, n = 27), inability to offer flexibility in work locations/schedule (75%, n = 24), and challenge of operating on-/near-site child care (66%, n = 21) .

Financial Strain on Families and the Role of Employers

Employers also recognize the significant financial burden that child care costs place on their employees, particularly single parents. One survey participant highlighted the challenge:

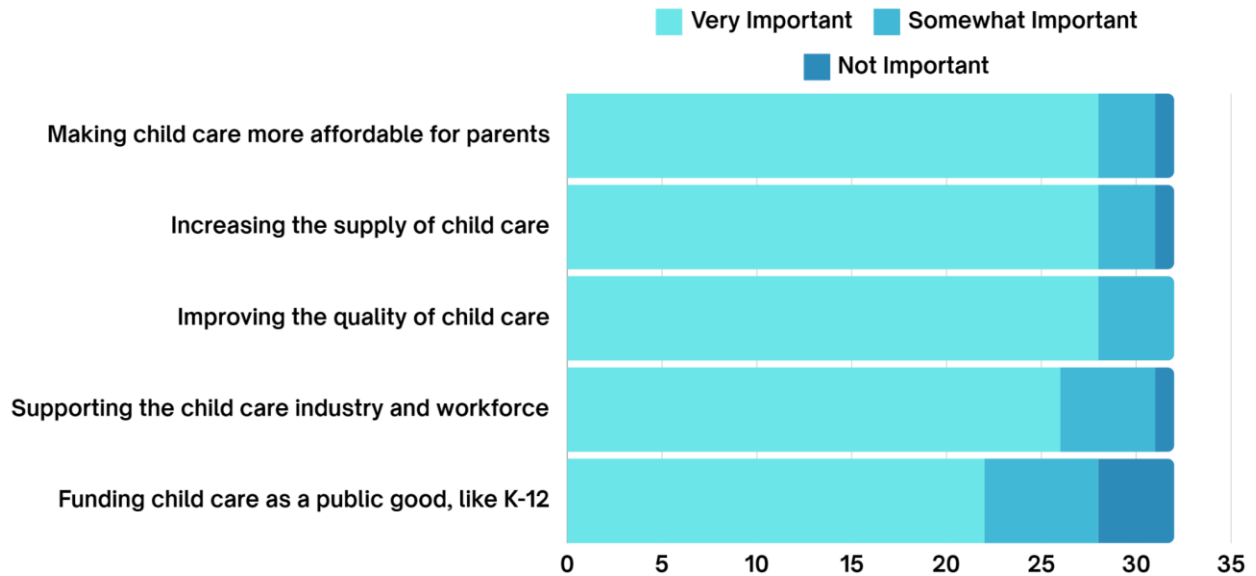
“The cost of being a single parent and affording the cost [of child care].”

This financial strain often forces employees to make difficult choices between remaining in the workforce or taking on additional caregiving responsibilities.

State's Role in Supporting Child Care Solutions

Local business leaders agree that the state should enhance its role in addressing child care challenges. They emphasize the need for state-level coordination and infrastructure development to better document and understand the true costs of providing quality child care.

How important is it for Michigan to make investments and pass child care policies to address the following issues (n = 32).



The most important issues according to those who were surveyed were improving child care with 28 stating that it was very important, 4 stating that it was somewhat important. The next most important investment issues were increasing the supply of child care and making child care more affordable for parents both with 28 stating that it was “very important,” 3 stating that it was “somewhat important” and only 1 stating that it is “not important.”

The following quotes exemplify “the biggest challenges employees face related to child care” from the leadership perspective (n = 23):

- **“Unavailability due to overnight hours”**
- **“Not many options for child care. If the child care place is closed, the employee needs to bring the child to work, or work from home.”**
- **“There are no openings and there is a long delay and much stress in finding a reliable, quality child care provider for children. Employees are on waitlists before they are even pregnant to reserve spots.”**
- **“Because there are so few child care options available in our area, most of our employees rely on family to take care of their kids while they are at work. Sometimes family members are unreliable, and employees are left scrambling to find child care at the last minute, or they can't make it to work because they couldn't find anyone. Even if more child care options were available, they would likely be cost prohibitive for our employees, and as an employer, we can't afford to help employees pay for child care because we are already paying the highest wage we can possibly afford to recruit and retain employees.”**

The following quotes exemplify “the biggest challenges employees face related to child care” from the employee perspective (n = 9):

- **“Not being able to be home with their children without being penalized at work”**
- **“Scheduling non-typical hours (hospital setting)”**
- **“After to and from school and late hours and wait list”**
- **“The cost of being a single parent and affording the cost”**
- **“Availability, quality, cost!”**
- **“I think that [onsite child care] would be a step in the right direction. I work for the casino. It's a huge employer in [City], and I know a lot of people, a lot of employees there would definitely use it and benefit from that.”**

A Call for Strategic Investment and Policy Change

The survey results clearly demonstrate that the lack of affordable and accessible child care options is not just a personal issue for families but a significant business and economic concern. Employers across East-Central Michigan are calling for strategic investments and policy changes that treat child care as essential infrastructure. Addressing these challenges will not only support families but also strengthen the regional workforce and economy, enhancing the ability of businesses to attract and retain talent and ensuring a more stable and productive workforce.

By recognizing the critical role that child care plays in economic stability, East-Central Michigan can take meaningful steps toward creating a more resilient and inclusive community that supports all families and employers.

Economic Leaders

An invitation-only meeting was hosted by Middle Michigan Development Corporation for economic development leaders in the region to come together and provide feedback and insights into how economic developers could be engaged in solving the child care crisis. Representatives from Arenac, Gladwin, Saginaw, Gratiot participated. The meeting was centered across the discussion of a drafted EDO assessment tool.

The group surfaced a few themes:

- Rural municipalities or EDO have limited control over land or building stock
- Incentives for business attraction come down from the State, there needs to be funding provided to these communities to attract child care businesses
- Child care businesses are not reaching out for support from local small business support organizations

- There is a lack of knowledge/awareness of how to better support child care businesses, this isn't typically in an EDOs wheelhouse
- Child care regulation, specifically staffing degree/education requirements for center-based care are cost-prohibitive
- We need business champions for others to want to emulate

Municipal Engagement

The questionnaire was distributed among various municipal stakeholders in East-Central Michigan, aimed to gather insights into the current state and regulatory environment of child care services. This year's survey focused on how municipalities are adapting to evolving child care needs, particularly in zoning, master planning, and regulatory practices. Coalition members were provided language and outreach materials to encourage Municipalities to engage.

The strongest results were obtained by coalition members who contacted their city, township, or county and requested them to participate. A more thorough analysis of municipalities may be useful, however the findings are reflective of those found in other regional planning coalition's work where all municipalities within a county were analyzed in-depth.

A range of municipalities, including counties, cities, and townships, participated in the survey. Their responses provide a limited overview of local regulations, zoning practices, and planning initiatives. This report presents a detailed analysis of these survey results, with an emphasis on descriptive statistics to quantify the state of child care infrastructure across the region. Key findings include trends in master plan integration, zoning and regulatory practices, and fee structures.

Two municipal leaders were sitting coalition members and also provided essential feedback, opportunities, and recommendations throughout the project.

Master Planning

The 2024 survey responses indicate that all surveyed municipalities have a master plan in place. However, only 1 municipality explicitly mentions child care as a strategic element within its plan.

Despite having master plans, none of the municipalities have updated their plans recently, with most plans being, on average, 9 years old. This highlights a significant

opportunity for municipalities to introduce changes in the coming years, particularly by integrating child care strategies into their future planning efforts.

During the grant period, one municipality, Gratiot County, which was in the process of updating their Master Plan, decided to include child care as a pillar of their plan.

Zoning Regulations

Most municipalities have not updated their codes to include new state standards (PA 116) regarding the increase of available child care slots. Child Care Family Homes are generally permitted in residential districts, with conditional use in commercial or mixed-use areas, while industrial zones often exclude such facilities. Child Care Group Homes are usually conditional in residential areas, and Child Care Centers are rarely permitted, typically allowed only conditionally in commercial and industrial zones, in only 20% of the sample.

All municipalities impose additional zoning requirements for Child Care Group Homes, such as minimum distances from other facilities, signage restrictions, off-street parking requirements, and limits on hours of operation, especially during nighttime. These stringent conditions may hinder the establishment of new child care facilities, deterring potential child care businesses.

Fee Structures

The fee for obtaining a special use permit, where child care is not permitted by right, ranges from approximately \$200 to \$370, with additional site plan review fees ranging from \$58 to \$370. Depending on the municipality, the total costs can vary, with overall fees ranging from \$275 to \$740. Additional costs from other fees, such as zoning board appeals or building permit fees, may also apply but are not always specified. This range is narrower and generally lower than last year's reported fees, which ranged from \$200 to \$1,500.

Master Plan Integration: Only 1 out of 9 municipalities that reported had incorporated child care strategies into its master plan, highlighting a significant gap. Integrating child care into these plans is essential for strategically placing facilities, supporting working families, and aligning with broader community goals. The municipal plans, on average, are 9 years old as of August 2024.

Zoning Code

Most municipalities have outdated zoning codes that do not align with current state standards, which may limit child care availability. Zoning tends to be more favorable in

residential and agricultural zones, with more restrictions in commercial and industrial areas.

Most municipalities permit Child Care Family Homes in residential districts, while Child Care Group Homes often require conditional approval. Child Care Centers are frequently not explicitly permitted and are usually limited to commercial or industrial zones, indicating a need for more flexible zoning.

Nearly all municipalities impose restrictions on child care facilities, such as limiting operating hours and other physical operational conditions.

Fee Structures

Fees for establishing child care facilities range from \$275 to \$740, with potential additional fees. This range is narrower than last year's reported fees.

All surveyed municipalities expressed interest in consultation services to help foster child care businesses, reflecting a growing awareness of the importance of strengthening child care infrastructure.

Problems and Root Causes

Utilizing the problem statements as a starting point, the coalition completed a root cause analysis and identified the following strategies as actionable, meaningful, and valuable to their communities. This process took place over multiple meetings with different members of the coalition present at different opportunities.

The root cause analysis process was organized utilizing LucidSpark, a collaborative platform that allowed participants to work in small groups and come together as a full group. First the groups worked to document everything they had learned through the landscape analysis process, their own experience and through reviewing the insights gathered from families, child care businesses and other business owners. Participants were instructed to structure their insights with two parts:

- What is happening
- Why is this happening

These Learnings were reviewed and grouped to clarify **who it was happening to** and what type of problem it was, meaning, was this something that was clearly a policy level issue? Was it a state level policy or municipality controlled? Did it have to do with workforce development or talent pipeline issues?

Next these themed groups were examined to craft insight statements. For example, reviewing Learnings that all were associated with “Cost” produced the following insight statements:

- There is a lack of understanding of how subsidy works, what costs it covers and how to use it.
- The CDC subsidy rate does not reflect the cost of offering care.
- Unemployed families cannot access CDC subsidy benefits even though they need child care to obtain and start a job.

These Insight Statements were used to create How Might We Questions. To continue the example above:

- How might we find ways to share the cost of quality care knowing it is actually public infrastructure?
- How might we advocate for public funding in child care that is reflective of the true cost of care?

The group then examined the How Might We Questions and voted to select those to pursue for development of action strategies. The six How Might We Questions that

received the most votes were then utilized as springboard questions for brainstorming possibilities for Action Strategies.

This brainstorming process created a variety of potential action strategies under each themed group. From this wealth of possibility, the group made the challenging decision to select which of the Strategies best fit the recommendations put forth by ECIC for selection:

- **Motivation** to implement or benefit from this strategy?
- **Ability** to implement this strategy?
- **Opportunity** to implement this strategy?

The strategies laid out below are those that the coalition identified as best meeting all three of these essential requirements for actionable strategies that would leverage the resources currently available to the group. The other key consideration of this coalition was the belief that routing more people into a field that would not pay a living wage was inequitable and would perpetuate damaging mindsets and values that the work done by women to provide care does not need to be compensated adequately.

Problem Statement #1

Child care is not treated and funded as essential infrastructure.

Root Cause: Persistent societal mindsets, values, and beliefs about women, children, and child care hinder necessary investment and devalue the importance of early care and education.

Key Challenges:

- Policymakers often struggle to effectively engage with those directly affected.
- Children, perhaps the most impacted, cannot advocate for themselves.
- Child care businesses are underfunded, under-appreciated, and overworked, making them less able to garner influence when advocating for themselves.
- Child care funding is temporary and unpredictable, especially for community-based organizations.
- Difficulty in leveraging public funding sources like the CDC Scholarship.

- High regulations and low funding lead to a child care market failure.
- Societal beliefs unintentionally deprioritize child care.
- Broader "care economy" issues (disability, elder care) face similar and shared challenges including racism, sexism, classism, ageism, and ableism.
- The cost of care exceeds family means—unacceptable for other essential infrastructure like water or energy or public education.
- No direct referral system exists for families to find care.

Problem Statement #2

Municipalities create additional regulatory burdens for child care businesses, causing fewer businesses to open, expand, and thrive.

Root Cause: There is both a lack of understanding of the current child care licensing requirements imposed by the State on child care businesses and a lack of funding and guidance on how municipalities could make changes to zoning ordinances.

Key Challenges:

- Zoning regulations are in misalignment with state-level regulation and policy.
- Zoning regulations are inconsistent across municipal borders.
- Fee-based hurdles vary significantly between municipalities.
- Municipal leaders lack awareness of the impact of ordinances on child care.
- Mindsets and values of child care business owners are typically not reflected.
- Lack of awareness of the value and necessity of child care businesses among city commissioners/planning commission members
- Child care businesses typically do not serve non-traditional hours of work.

Problem Statement #3

Child care businesses cannot open, sustain, or thrive and our diminishing child care supply causes ripple effects in our families, communities, and economies.

Root Cause: Policy interacts at the local, state, and federal levels in complex ways that result in unintended, negative consequences for child care businesses as well as the families and employers that depend on them.

Key Challenges:

- All challenges from Problem Statements #1 and #2 apply.
- Child care businesses typically do not serve non-traditional hours of work.
- Cost of care is outside of families' means.
- Many families who receive benefits (e.g., CDC Scholarship) are unable to utilize them which means less revenue is supporting the local child care supply.
- Social "Welfare" programs are often perceived negatively by society, communities and families (e.g., CDC Scholarship used to be "Subsidy").
- Children's access to support is based on their parent's income or experience.

Action Strategies

Key Action Strategy #1			
Develop marketing campaigns with targeted messages for multiple audiences (intentions include shifting mindsets, deepening understanding, and supporting perception of child care as business, essential services/workforce, and infrastructure).			
Timeline	Key Partners	Projected Costs	Targeted Problem Statement(s)
Immediate and ongoing	Coalition Members, MMDC, Saginaw Futures, MiWorks, SBDC, SBA, Advocacy Organizations, Business Owners, Municipalities, Representatives, MiEAYC, PULSE, ECIC, Institutions for Higher Education	\$ - \$\$\$	All 3 Problem Statements
<p>Rationale: To change the landscape that child care businesses operate in, those in power must change the rules of the game. Right now, many who have their hands on the levers of power are unaware of the unintended consequences of the regulations, rules, or other barriers to a thriving child care landscape. For example, in some of our municipalities there are requirements that far exceed those mandated by LARA for outdoor and indoor space. Almost all require a special use permit (or similar) to operate a group home, and there are no municipal spearheaded efforts to alter this reality. By bringing awareness to these barriers those who need child care (families) and those who are impacted by the lack of available child care (everyone) can see the role they can play in changing this reality.</p> <p>Shifting mindsets of those in power will pave the way for regulatory changes and investment in child care (both fiscal and social currency). By crafting messages and leveraging effective messengers the ECMI coalition leverages the key supports needed for successful implementation: motivation, ability and opportunity. Our cross-sector coalition has ties to multiple industries, municipalities, nonprofits, and early childhood system players to name a few.</p> <p>Recruitment and retention of staff to positions that require them to live in poverty, rely on state benefits, offer no opportunity for advancement, requirement expensive upfront costs and ongoing requirements for training and education that are not</p>			

honored through clear pay increases (e.g. Steps offered to contracted teachers in K-12 schools) is unethical and perpetuates the market failure. That families and child care business owners need to fend for themselves and that a “love of children” or a “calling to provide care” are fulfilling enough for staff to tolerate regularly not being able afford to pay all of their own bills at home. Advocating for policy changes and regulation of funding that prioritizing adults being able to offer the highest quality care is necessary to stabilize the workforce.

Adults who are worried about feeding their own children, affording their own child care bill or weighing whether or not to invest in getting a Bachelor’s Degree when it will not increase their salary or hourly rate are not being systemically situated to focus on building reciprocal developmentally appropriate attachments with the children in their care. When home based businesses are working 50 hours a week providing care and 30 hours a week on office work (e.g. billing, laundry, lesson planning, cleaning, communicating with parents, cooking) when are they expected to take time to care for themselves and their own families?

Desired Outcome: Shifting mindsets will lead to updated policies and practices that accurately reflect community needs, preferences, and values.

Success Enabling Factors

Motivation: Diverse and active coalition members who are already inspiring networks to act.

Metrics:

- Is public opinion changing?
- Are policies shifting?
- Are broader community coalitions continuing to form and grow?

Key Action Strategy #2

Provide actionable training regarding the child care industry to staff who work with and support small businesses in their communities.

Timeline	Key Partners	Projected Costs	Targeted Problem Statement(s)
August 2024	Coalition Members, Middle Michigan Development Corporation, Saginaw Futures, MiWorks, Small Business Development Center, Small Business Association, Advocacy Organizations, Great Start to Quality Resource Centers, ECIC	\$\$	All

Rationale: Child care business owners report a lack of access to training and support in surveys and in interviews in how to manage and run many aspects of their businesses outside of the care and education of children. Economic Development Organizations and small business development organizations report a lack of specialized knowledge to support child care business owners. We propose to remedy this situation by providing access to Civitas Strategies: Thrive Pathway© Coach Training and certification.

By partnering with ECIC and Great Start to Quality Resource Centers child care business owners can be referred to local organizations to support their development of essential business practices and will be able to receive “credit” towards their mandatory hours of professional development each year.

Desired Outcome: Robust local collaborative systems that support child care businesses to flourish with business coaching, tax preparation, financial support and reduce isolation of the child care field from other small businesses and necessary economic development efforts.

Success Enabling Factors

Motivation: MMDC is well positioned to recruit participants for the training, the Directors of the Great Start to Quality Resource Centers that serve the region are open to collaborating and have deep relationships with many child care business

owners which can be used to provide warm hand-offs and referrals to newly trained organizations.

Recommendations: The 2024 survey results highlight the ongoing need for municipalities to prioritize child care in their planning and zoning efforts.

- Incorporating Child Care into Strategic Planning: Municipalities should prioritize integrating child care strategies into their master plans.
- Regularly reviewing and updating these plans to reflect the evolving needs and challenges in child care, ensuring strategies remain current and effective.
- Improving zoning laws to better align with state standards and support the expansion of child care facilities across various district types, making child care a central component of community development.
- Leveraging Consultation Interest - Municipalities expressing interest in consultation services should receive targeted technical assistance.
- Organizing workshops for municipal planners to help them effectively integrate child care into master plans and zoning codes. Offering tailored, one-on-one consultations to provide personalized advice and enhance their child care infrastructure, addressing challenges related to zoning, planning, and financial barriers.

Metrics:

- The number of training registrants and those who complete the full certification process.
- The creation of a warm hand-off referral system for child care business owners to local support programs and organizations.
- The creation of new policies, grants or other efforts at economic development organizations targeting child care infrastructure.

Key Action Strategy #3

Create a handbook for Municipalities to support child care businesses.

Timeline	Potential Partners	Projected Costs	Targeted Problem Statement(s)
March 2024 - August 2024	Municipalities, Michigan Association of Planners, child care business owners, County level public servants, MMDC, SBA, ECIC, PULSE	\$\$ - \$\$\$	Statement 2

Rationale: Municipality regulation is commonly duplicative of child care licensing requirements and unnecessarily burdensome for child care business owners. Through engagement with interested city and village planners it was identified in the root cause analysis process that this likely had to do with the fact that municipalities didn't have a clear understanding of how their zoning directly impacted child care business owners and by proxy, families.

The development of a guide for municipalities will help to bring awareness to the issues child care business owners face and provide concrete guidance and support for municipal employees/volunteers.

The guide will also include access to the mapped referral system for families seeking early care and education options in their communities. Municipalities will be encouraged to share this tool for families on their websites and with their communities via social media and other communication channels.

This guide will be built on the evaluation and reporting conducted by McKenna and Associates, the municipal assessment tools shared by Pulse, and insights from child care business owners who have or are currently navigating municipal red type and from municipal representatives on the coalition. Coalition members believe that by providing targeted guidance and actionable tools to municipalities there is the opportunity to shift policies and practices that impact child care businesses and families; as well as mindsets.

Additionally, this guide will be developed in collaboration with other regional planning coalitions with the hope of creating a meaningful tool for us by any municipality rather than those located in East-Central Michigan alone.

Desired Outcome: Municipalities are empowered with information and tools to make changes to code, zoning, communications, and other aspects of operation that make it easier for child care businesses to open, expand and thrive. We hope that the guide will eventually transition to being a state-wide tool that works in partnership with the Municipal Roadmap being created by Pulse. Additionally, we hope through leveraging relationships the guide will be advertised by municipal supporting organizations in the State of Michigan that are trusted messengers.

Success Enabling Factors

Motivation: Mt. Pleasant and Midland are both leading by example by explicitly addressing child care throughout the municipal planning process.

Metrics:

- The number of municipalities in the region with language explicitly serving child care businesses increases.
- The number of municipalities that update local code to support local child care businesses.

Conclusion

The East-Central Michigan Child Care Coalition (ECMI) initiative has uncovered significant challenges in child care access, affordability, and sustainability across the region. Despite the critical role child care plays in supporting local economies and workforce participation, it remains underfunded and highly regulated, resulting in shortages of providers—particularly during non-traditional hours. Families continue to struggle with finding reliable and affordable care, while child care businesses face operational instability due to rising costs, staffing shortages, and complex regulatory landscapes.

Through cross-sector collaboration, the ECMI coalition has developed strategic recommendations to address these pressing challenges and build a more resilient child care system.

Key Findings:

- **Insufficient Child Care Supply:** The current supply of child care in the region does not meet demand, particularly for non-traditional work hours. Local zoning, state policies, and high operational costs limit the ability of child care businesses to expand.
- **Barriers to Child Care Access:** Families face difficulties accessing affordable, high-quality child care due to restrictive regulations, lack of flexible scheduling options, and insufficient public funding. Complicated systems and limited access to accurate information worsen these barriers.
- **Inconsistent Funding and Support:** Child care businesses struggle with low reimbursement rates, high administrative burdens, and unreliable funding streams. Community-based organizations in particular face challenges in sustaining operations and competing with expanding government-run programs.
- **Workforce Challenges:** Staffing shortages, low wages, and high turnover undermine service quality and availability. The child care sector continues to grapple with attracting and retaining qualified workers, with many earning less than a living wage.
- **Regulatory and Policy Barriers:** Overlapping and inconsistent regulations at municipal and state levels create significant challenges for child care businesses. Zoning laws, licensing requirements, and inspections are costly and complex to navigate.

- **Lack of Recognition as Infrastructure:** Child care is not widely viewed as essential infrastructure, which leads to a lack of investment and support. This oversight hampers both public and private sector efforts to address the child care crisis.

Strategic Recommendations:

- **Develop a Child Care Referral Tool:** Establish a comprehensive tool to help families in the region identify available child care options that fit their needs, making access to information simpler and more reliable.
- **Create a Municipal Guidebook:** Design a guidebook to help municipalities better understand the needs of child care businesses and align their local regulations with state policies to encourage growth in the child care sector.
- **Leverage Child Care Management Software:** Provide support to child care businesses in adopting management software to improve operational efficiency and reduce administrative burdens.
- **Advocate for Policy Change:** Work with local and state policymakers to recognize child care as critical infrastructure, and advocate for long-term, sustainable funding and support for child care providers.
- **Expand Funding Programs:** Advocate for increased funding for programs like the CDC Scholarship and other reimbursement mechanisms to ensure fair compensation for providers and expanded access to affordable child care for families.

Moving forward, it will be essential for stakeholders to continue their commitment to collaboration, advocacy, and investment. Addressing the underlying challenges within the child care system will enable East-Central Michigan to create a more equitable, accessible, and sustainable child care ecosystem that supports families, businesses, and the broader community. By recognizing child care as a fundamental part of regional infrastructure, the coalition can drive meaningful change that benefits all residents.

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Appendices

Appendix #1: Coalition Roster

Child Care Businesses (11 Members)

- Children's Discovery Academy
- Creative Beginnings Childcare
- KinderKare
- Building Blocks Childcare & Preschool Center
- Mustang Hill Childcare at Meridian Public Schools
- Alma Public Schools
- Saginaw ISD ECE program
- Huntley's Clubhouse
- Additional Home-Based Child Care (3 members)

Economic and Workforce Development Organizations (16 Members)

- Middle Michigan Development Corporation (3 members)
- Bay Future
- Greater Gratiot Development Corp (2 members)
- Mt. Pleasant Chamber of Commerce
- Midland Business Alliance (2 members)
- Saginaw Future, Inc. (2 members)
- Great Lakes Bay Regional Alliance
- PartnerShift Network
- Michigan Works! Region 7B (2 members)
- Great Lakes Bay Michigan Works!

Early Childhood Systems (15 Members)

- Clare-Gladwin RESD
- Midland County ESA (2 members)
- Midland County ESA, Great Start Collaborative
- Midland County ESA, Regional Preschool Partnership
- Bay-Arenac ISD (2 members)
- Saginaw County ISD (3 members)
- Gratiot-Isabella Great Start Collaborative
- Midland Area Community Foundation

- CAN Council (2 members)
- Michigan Association for the Education of Young Children

Employers (9 Members)

- Hemlock Semiconductor Operations, LLC
- Junior Achievement of North Central Michigan
- CMU Associate VP, HR
- PartnerShift Network
- Bay Foundation
- Midland Area Community Foundation
- Mt. Pleasant Area Community Foundation (2 members)
- Saginaw Community Foundation

Municipalities (4 Members)

- City of Mt. Pleasant (2 members)
- City of Midland
- Village of Lake Isabella

Higher Education (5 Members)

- Central Michigan University (4 members, not including the CMU Employer)
- University of Michigan, Maternal Infant Vitality Specialist

Parents (5 Members)

- Chrystal Rockafellow
- Megan Hamp
- David E. Sickle II
- Krysta Carabelli
- Kymberly Wise

Appendix #2: Policy Recommendations

- 1. Expand Billable Hours for Child Care Businesses and License-Exempt Providers:** Increase the maximum number of reimbursable hours per week from 90 for child care providers. For those working 12-hour shifts, five days a week, 30 hours of care must still be covered out-of-pocket.
- 2. Simplify the Application Process for Child Development and Care Scholarship:** Make the application process for the CDC Scholarship less [burdensome for families](#), reducing paperwork and addressing the lack of clear responsibility during the transition to universal load. Universal caseload means that child care business owners experience highly fragmented services.
- 3. Remove Work/School Requirements:** Eliminate the requirement for parents to prove they are working to receive the Child Care Subsidy. Parents often need child care to work but must prove they are working to qualify for assistance, creating a "Catch-22." Children have no control over how much their parents make hourly, or what hours their parents can find work during.
- 4. Incentivize Non-Traditional Hours:** Offer higher reimbursement rates for providers who offer care outside of typical hours, such as early mornings, evenings, weekends, and overnight, which are crucial for Macomb County's service, manufacturing, and healthcare industries.
- 5. Adopt Alternative Reimbursement Models for CDC Scholarship:** Use the Office of Child Care's alternative to the Market Rate Survey to set reimbursement levels based on the true cost of care. The current survey method collecting market rates does not reflect the true cost of child care. Long-term trends of decreasing utilization by families and participation by child care businesses suggests the historical approach of market rate surveys has resulted in severely insufficient increases to reimbursement rates in Michigan.
- 6. Affordable Insurance for Home-Based Providers:** Help home-based child care businesses find affordable homeowner and business insurance. Those with expanded capacity face coverage issues, which need state support to continue operating.
- 7. Include Home-Based Providers in Pre-K Expansion:** Ensure home-based child care businesses are eligible for funding and support through the Great Start Readiness Program, as they provide flexible hours and crucial services.

8. **Stop Venture Capital Investments in Child Care Solutions:** Redirect public funding from ventures like WonderSchool to Michigan-owned businesses and local organizations that support entrepreneurship, avoiding duplicative services and questionable data practices.
9. **Align Child Care Licensing and Municipal Requirements:** Collaborate with local governments to remove duplicative inspection requirements when local standards meet state-level licensing requirements, and provide funding and guidance to update zoning ordinances and codes.
10. **Clarify True Costs of Quality Child Care:** Work with child care providers to document the real costs of delivering quality care, accounting for systemic barriers such as redlining, environmental hazards, and poverty, rather than relying on outdated market rate surveys.
11. **Expand Tri-Share Eligibility:** Adjust the income eligibility for the Tri-Share program, which currently serves families between 200-325% of the poverty line, to include more families burdened by high child care costs.
12. **Create a Child Care Tax Credit:** Establish a tax credit specifically to offset child care costs, expanding on the Child and Dependent Care Tax Credit to cover more of the actual expenses families incur.
13. **Subsidize Architectural Costs for Expansions:** Provide financial support for child care businesses needing to hire architects for facility upgrades or expansions, particularly for small businesses.
14. **Partner with Local Inspectors to Reduce Delays:** Reduce wait times for required fire inspections by collaborating with local inspectors and ensuring sufficient staffing for plan reviews.
15. **Assist with Bureau of Fire Services Plan Review:** Offer support to child care businesses navigating the complex and time-consuming building plan review process.
16. **Increase Child and Adult Food Care Program Funding:** Raise compensation for meals provided, particularly fresh fruits and vegetables, and cover the time required for shopping, meal preparation, and documentation.
17. **Reimburse Additional Meals and Snacks:** Expand the number of reimbursable meals and snacks per day for providers offering extended care, such as for parents working 12-hour shifts.

18. **Review Licensing Violation Data for Bias:** Mandate regular review of licensing violation data to identify potential biases based on race, socio-economic status, or other factors.
19. **Remove Municipal Restrictions on Operating Hours:** Prohibit municipalities from imposing limits on the hours a child care business can operate, which restricts care availability during non-standard hours.
20. **Streamline Reporting Across State Programs:** Align mandatory reporting requirements across all state-run programs to reduce the administrative burden on child care businesses.
21. **Improve Access to Public Data:** Make Child Development and Care Scholarship data available in accessible formats, allowing better analysis and understanding of funding utilization and other key metrics.
22. **Enhance Training for MDHHS Caseworkers and CDC Scholarship Staff:** Implement joint training programs to ensure clarity in eligibility requirements and consistent communication between families and staff.
23. **Automate CDC Scholarship Approvals:** Automatically process eligible families for the CDC Scholarship when they apply for other benefits, notifying them of their eligibility without requiring separate applications.

Appendix #3: Municipal Child Care Guide

A guide for understanding the needs of child care businesses from the local government perspective, and tools for the implementation of meaningful policy change.

This guide would not have been possible without the effort and funding provided by the Macomb County Child Care Coalition. Through their dedication, engagement and support we are proud to present this guide to support all municipalities across Michigan in supporting communities where families can live, work and play.

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Introduction

Child care is a critical component of a thriving community. It supports working parents, fosters child development, and contributes to the local economy. However, developing and managing an effective child care business can be challenging, requiring coordination across various sectors and stakeholders.

This guide aims to provide you with the tools, knowledge, and best practices necessary to navigate these complexities successfully. Together, we can create a community where every child has access to safe, nurturing, and high-quality child care!

Child Care Business Narrative

To set the stage, we'll introduce you to a set of characters representing two different child care business owners experiencing common obstacles in opening or expanding.

Our goal is to give you insights into what the child care business owner's experience looks like, from before their initial contact with the local municipality, to well after their doors are open.

With this information our hope is that your municipality will better understand the needs of the child care business owner, and the barriers they have to overcome to reach their goal of improving their community.

Introducing Emma: Expanding Her In-home Child Care Business

Background

Emma, a dedicated mother of two, has successfully operated a family child care home in her suburban neighborhood for several years. With a bachelor's degree in early childhood education, Emma is now ready to expand her child care business from a family child care home to a group child care home, aiming to provide a nurturing and educational environment for more children and an opportunity reduce her feelings of isolation by having another person working with her

Challenges

Zoning Regulations: Emma encounters complex local zoning laws that restrict in-home child care for more than 6 children in all residential areas. She must navigate the process of obtaining a special use permit, which includes multiple public hearings and a rigorous approval process.

Neighbor Concerns: Some neighbors express concerns about increased traffic, noise, and the need for additional parking. Emma needs to address these issues by implementing traffic management plans, noise minimization strategies, and providing adequate parking solutions.

Organizing Community Support: Because of her neighbors' complaints at her first hearing, Emma has to do a lot of extra legwork to organize community support, and wait a year to apply again for the permit. She has to tell the families on her waiting list that she cannot accept their children into care. Some of these families come to her next hearing to support her but others have had to find child care elsewhere in the interim.

Resolution Path

Emma collaborates closely with municipal officials to understand the zoning requirements and gather community support. She attends city council meetings to advocate for more flexible zoning policies and seeks advice from other in-home child care business owners who have successfully navigated the licensing process.

Introducing Jack: Opening a Downtown Child Care Center

Background

Jack is an entrepreneur with a vision to open a large child care center in a commercial space downtown. Recognizing the area as a child care desert, Jack aims to provide a much-needed service by offering a range of programs for infants, toddlers, and preschoolers. His facility will address the community's child care needs while fostering early childhood development.

Challenges

Building Codes and Safety Standards: The commercial property Jack selected requires significant renovations to meet the safety and accessibility standards mandated for child care centers. This includes installing child-safe fixtures, ensuring proper fire exits, and creating outdoor play areas. Architectural sketches are required for these significant changes, but they often overlook specific child care requirements such as accessibility and child safety features.

Zoning Challenges: Operating a child care center in a commercial zone involves securing a special use permit. Jack's vision to operate 24 hours necessitates additional special permissions, adding to the complexity of the zoning process.

Financing and Grants: Securing funding for the necessary renovations and initial operational costs is challenging. Jack explores various funding options, including municipal grants, small business development grants, and private loans, but he encounters issues with the Small Business Development Center (SBDC) that complicate the process. Additionally, unexpected delays in inspections and licensing threatens financial stability, with ongoing rent and unforeseen construction costs adding undue pressure.

Resolution Path

Jack collaborates with local economic development agencies to access financial incentives and grants, though he still has to take on a significant amount of debt to cover the costs.

Main Challenges Faced by Our Child Care Business Owners:

- **Zoning Restrictions:** Complex zoning laws require special use permits and public hearings for expansion.
- **Neighbor Opposition:** Concerns about traffic, noise, and parking lead to delays and require business owners to address community objections.
- **Building Code Compliance:** Extensive renovations are needed to meet safety standards, often complicating the process with additional requirements.
- **Funding Challenges:** Obtaining financing for renovations and operations is difficult, with delays in inspections adding financial strain.

Understanding these obstacles is crucial for municipalities aiming to support child care business owners. By addressing zoning complexities, streamlining the approval processes, and fostering community support, local governments can help ensure that more children have access to quality care, ultimately strengthening the entire community.

Municipal Process Recommendations

This section outlines critical steps that municipalities should follow in guiding child care business owners through the necessary licensing and permitting procedures. From zoning approvals and building permits to fire safety inspections and final occupancy certifications. We hope to provide an overview of the municipal role in facilitating the successful operation and expansions of Child Care centers.

By clearly communicating zoning codes, permit application processes, and inspection standards, municipalities can help reduce the burden for opening or expanding Child Care within their community.

This section is designed to assist municipal staff in streamlining the processes to support Child Care business owners as they navigate local regulations and prepare to serve their communities.

As you work through this section, take time to note relevant information that may be helpful to provide to child care business owners as they navigate the complexities of the licensing process.

Preliminary Planning

Laying the Foundation for Success

Best Practices:

- Provide an outline of the process to become licensed in your municipality.
- Identify local zoning codes related to child care centers and licensed child care homes.
- Allow for the scheduling of an initial consultation for the Child Care Business Owner with the Planning/Zoning Office.

Any child care provider's journey begins with thorough research on local zoning laws and regulations related to Child Care facilities. Prospective business owners seek guidance from the local Planning/Zoning Office to ensure their plans align with municipal requirements. The goal is to understand the necessary steps and gather all required information before proceeding. Clear guidelines can be made available online, and in person, for child care business owners to access while in this stage of their child care project. Initial consultation may be made available by the municipality to help guide child care business owners through zoning regulations.

Main Contact: _____

Initial Consultation Fee (if any): _____

Processing Time for Scheduling: _____

First Contact Municipal Checklist

This checklist is for municipal staff to follow when working with prospective Child Care business owners to ensure they have all the information they need to proceed. By adhering to these guidelines, municipal staff can provide comprehensive support and clear guidance during the initial contact, helping to streamline the process and foster a supportive environment for establishing new Child Care facilities.

Zoning and Land Use Information:

- Outline the local zoning regulations and how they apply to different types of Child Care facilities, provide access to municipal code.
- Discuss any specific zoning districts where Child Care facilities are allowed by-right, conditional, or prohibited.
- Provide details on any required special use permits or conditional land use hearings and the associated processes.

Building and Safety Requirements:

- Explain the building code requirements, including inspections and safety standards for Child Care facilities.
- Provide information on fire safety inspections and any specific safety requirements, such as fencing for outdoor play areas.
- Outline any other additional inspections including health and business licensing that might be required.

Contact Information for Further Assistance:

- Provide a list of important contacts within the municipality who can assist with various aspects of the process (e.g., planning/zoning, building inspections, business licensing).
- Provide any digital tools that might be used in the application or permitting process.

Follow-Up:

- Schedule a follow-up meeting or call with local zoning staff to address any further questions or concerns.

Permits and Paperwork

Navigating Municipal Requirements

Key Points:

- Planning and zoning permit applications.
- Special use permit application - public hearing may be required
See MCL - Section 125.3502 for information about SUPs.

Meet with the City Planner to submit a zoning permit application. If the proposed location is not permitted by right, applicants will need a special use permit, which may involve attending public hearings.

Main Contact Person: _____

Zoning Permit Fee: _____

Special Use Permit Fee: _____

Processing Time: _____

Common Zoning Requirements

Navigating the complexities of zoning regulations can be challenging for child care business owners. In addition to the extensive regulatory framework mandated by the state, many local municipalities have additional regulations that can be confusing, time-consuming, and costly. These extra steps can impact the establishment and growth of child care facilities, affecting access to essential services for families. These items need to be well communicated at a minimum, and should be reconsidered for better support of child care facilities.

Identify common additional zoning requirements in your local municipality:

- **Parking Requirements:**
 - Off-street parking for each non-family employee.
 - Drop-off and pick-up areas accommodating multiple vehicles.
 - Allow on-street parking where off-street parking isn't feasible.

- **Fencing and Safety:**
 - Require appropriate fencing for safety.
 - Specify fencing type and color to maintain neighborhood aesthetics.
- **Hours of Operation:**
 - Limit operation hours, typically from 7:00 a.m. to 11:00 p.m.
 - Further restrict operations during late-night hours.
- **Setback and Spacing Requirements:**
 - Minimum distance between Child Care facilities and other specific locations (e.g., other Child Care homes, adult foster care, facilities offering substance use disorder services, community correction centers).
- **Building and Lot Requirements:**
 - Minimum lot size requirements for group homes.
 - Prohibiting group homes in multiple-family dwellings or combined commercial/residential structures.
- **Noise and Nuisance Regulations:**
 - Operate so as not to create a nuisance (e.g., noise levels, additional traffic).
- **Outdoor Play Area Requirements:**
 - Minimum square footage for outdoor play areas.
 - Suitable outdoor play areas not immediately adjacent to the center.
- **Operational and Maintenance Standards:**
 - Maintain property consistent with neighborhood characteristics.
 - Limit exterior modifications of the dwelling for group daycare homes.
 - **Other:** _____

Other Permits

Depending on the municipal structure, local zoning, and business activities, other permits and approvals may be required.

Building Permit

Building with Confidence

Key Points:

- Clearly communicate safety codes and regulations before and during construction.
- Schedule timely inspections to avoid delays.

For new construction or changes to an existing structure, review plans to ensure they meet all safety codes, and issue a building permit. Conduct inspections at various stages to ensure compliance.

Main Contact Person: _____

Building Permit Fees: _____

Processing Time: _____

Fire Safety Inspection

Ensuring Fire Safety

Key Points:

- Provide guidelines on required fire safety equipment.
- Ensure compliance with fire safety regulations.

As any construction nears completion, schedule a fire safety inspection with the Fire Marshal. Inspect the site to ensure all fire safety measures are in place, including fire alarms, extinguishers, and escape routes.

Main Contact Person: _____

Fire safety inspection fees: _____

Processing Time: _____

Final Inspections and Certificate of Occupancy

Ready to Open

Key Points:

- Ensure all final touches meet regulatory standards.
- Receive the Certificate of Occupancy to legally operate.

Before opening the facility, schedule final inspections with the Building Department. Ensure all construction and safety requirements are met. The Building Inspector issues a Certificate of Occupancy, allowing the facility to open.

Main Contact Person: _____

Certificate of Occupancy Fee: _____

Processing Time: _____

Health Inspection

Creating a Healthy Environment

Key Points:

- Maintain high standards of cleanliness and sanitation.
- Ensure proper waste disposal and ventilation systems.

Schedule an environmental health inspection with the Health Department. Inspect the facility to ensure it meets all health and sanitation standards, focusing on cleanliness, proper waste disposal, and adequate ventilation.

Main Contact Person: _____

Health Inspection Fee: _____

Processing Time: _____

Business License

Getting Down to Business

Key Points:

- Ensure all documentation is complete and accurate.
- Maintain compliance with business regulations.

With all necessary approvals in place, submit a business license application to the Business Licensing Office. Provide required documentation, including zoning and building permits, and fire and health approvals. The business license allows the provider to legally operate the Child Care facility.

Main Contact Person: _____

Business License Fee: _____

Processing Time: _____

Code Recommendations

This section offers actionable strategies and policy recommendations aimed at fostering a more supportive environment for child care businesses, ultimately enhancing the accessibility and quality of child care within our communities.

The following recommendations are designed to help municipalities support child care businesses effectively. Our efforts have focused on identifying the key challenges faced by child care business owners and exploring practical solutions to overcome these obstacles.

Child Care By Use and by Right

Allowing child care facilities, including Child Care Centers, Family Day Care Homes, and Group Day Care Homes, by use in specific zoning districts is a strategic approach to addressing the increasing demand for child care services and supporting community development. By collaborating with local business development agencies to identify suitable zoning districts, municipalities can pinpoint areas with high demand, particularly in "Child Care deserts."

This targeted placement maximizes the impact and accessibility of child care facilities, ensuring that they are located where they are most needed. Accessible child care facilities provide significant economic and social benefits, such as increased productivity and reduced absenteeism among working parents, as well as better educational outcomes for children, fostering long-term community stability.

Permitting child care facilities "by right" in specific zoning districts simplifies the establishment process, removing the need for special permits or additional approvals. This streamlined approach encourages more business owners to open and operate child care services, meeting the community's needs more efficiently.

Allowing by-right use in residential areas, for instance, can eliminate the requirement for special use permits for Group Day Care Homes, making it easier for business owners to start and maintain these essential services. By reducing regulatory barriers and potentially waiving or reducing fees for zoning applications, municipalities can foster a more supportive environment for the development of child care facilities.

Making zoning regulations more friendly to child care facilities can bring about substantial economic and social benefits for communities. Repurposing vacant or underutilized buildings, such as schools, churches, and municipal buildings, provides a cost-effective solution for establishing new child care centers. Engaging with local stakeholders, including parents, educators, and business owners, is crucial for gaining support for zoning changes and addressing community concerns.

By ensuring equitable access to high-quality child care, municipalities can promote social equity and economic mobility, creating a supportive environment for child care business owners and ensuring that all families have access to the services they need.

Zoning Ordinance Recommendations

This section outlines suggested changes to zoning ordinances aimed at making it easier to establish and operate child care facilities. These changes ensure safety, convenience, and accessibility while balancing the needs of the community. The proposed Sample Zoning Ordinance for Child Care Facilities provides a structured framework to support local governments in making these adjustments.

Recommendations for Municipalities

Municipalities play a crucial role in creating a supportive environment for child care facilities through their zoning and building codes. By adopting child care-friendly

practices and reducing unnecessary restrictions, municipalities can significantly enhance the availability and quality of child care services. Here are several key recommendations focused on supporting child care:

- **Prioritize Child Care in Zoning Policies:** Avoid restrictive zoning that limits the ability to establish child care facilities in residential areas. Promote flexibility to support home-based child care business owners, making it easier for them to operate legally and serve their communities.
- **Child Care Centers in All Appropriate Zones:** Permit child care centers in mixed-use, and commercial zones to maximize accessibility for families. Encourage the integration of child care centers within community spaces such as parks, recreation centers, and schools.
- **Reduce Spacing Requirements:** Minimize or eliminate spacing requirements for child care facilities to prevent unnecessary barriers to opening new centers. Where necessary, ensure spacing requirements are reasonable and do not hinder the establishment of needed child care services.
- **Simplify Approval Processes:** Streamline the approval process for child care facilities by reducing bureaucratic hurdles. If by-right zoning isn't in your community's best interest, consider waiving fees for special use permits for child care programs to encourage their establishment and growth.
- **Undue Burdens:** The state already offers extensive guidelines on the operation of child care facilities. Local Government should add additional requirements sparingly. Special setbacks, parking, lighting, and other requirements outside of what is already required by the state can be overly cumbersome.
- **Proactive Building, Fire, and Other Offices to Support Child Care:** Ensure inspections are done timely, or even work to do pre-inspections to help the operator along. Work with local business development groups to identify open-ready properties.
- **Align with State Regulations to Support business owners:** Harmonize local zoning and building codes with state licensing requirements to reduce regulatory conflicts and streamline the approval process for child care business owners.
- **Collaborate with State Agencies:** Work closely with state licensing agencies to ensure that inspections and approvals are coordinated, helping child care

business owners meet all necessary requirements efficiently, without facing redundant or conflicting regulations.

- **Support for Child Care Facilities:** Allow the use of underutilized municipal properties, such as vacant schools and community centers, for child care facilities. Offer financial incentives such as grants, low-interest loans, and tax credits to encourage the establishment and expansion of child care facilities.

By implementing these zoning code changes, municipalities can foster a more supportive environment for child care business owners. This proactive approach will help meet the growing demand for child care services, supporting families and contributing to the overall well-being and economic stability of the community.

Glossary of Terms

Child Care Center: A facility, other than a private residence, receiving 1 or more children under 13 years of age for care for periods of less than 24 hours a day, where the parents or guardians are not immediately available to the child. Child Care centers provide care for not less than 2 consecutive weeks, regardless of the number of hours of care per day.

- **Common Municipal Language:** Commercial Child Care Center, Institutional Child Care Center
- **Commonly Used Terms:** Daycare Center, Nursery, Child Care Facility

Family Day Care Home: An accessory use to a private home in which 1 but fewer than 7 minor children are received for care and supervision for compensation for periods of less than 24 hours a day, unattended by a parent or legal guardian, except children related to an adult member of the household. A family day care home includes a home in which care is given to an unrelated minor child for more than 4 weeks during a calendar year.

- **Common Municipal Language:** Residential Day Care, In-Home Child Care
- **Commonly Used Terms:** Home Daycare, Family Child Care

Group Day Care Home: An accessory use to a private home in which more than 6 but not more than 12 minor children are given care and supervision for periods of less than 24 hours a day unattended by a parent or legal guardian, except children related to an adult member of the household. Group day care homes include homes with increased capacity.

- **Common Language:** Group Child Care Home, Residential Group Child Care
- **Commonly Used Terms:** Group Home Daycare, Group Child Care

Required State Inspections for Child Care Centers

Opening and operating a child care center in Michigan involves rigorous adherence to state regulations designed to ensure the safety, health, and well-being of children. These regulations mandate comprehensive inspections and compliance measures covering various aspects of child care operations.

As municipalities evaluate their roles and responsibilities, it is crucial to recognize that child care businesses are already subject to extensive state oversight. This understanding can guide decision-making processes, potentially alleviating the need for additional local burdens on these vital community services. Below is a summary of the key inspections required by the state, emphasizing the existing regulatory framework that child care business owners must navigate to maintain their licenses.

1. Fire Safety Inspection

- **Agency:** Bureau of Fire Services or a Department-approved Qualified Fire Inspector (QFI).
- **Frequency:** Before issuance of the original license and every 4 years thereafter at renewal.
- **Cost:** Paid by the applicant/licensee, variable depending on the inspector.
- **Code Section:** R 400.8510, R 400.8565
- **Details:** Ensure compliance with fire safety rules.

2. Boiler Inspection - HVAC

- **Agency:** Boiler inspector from the Department of Licensing and Regulatory Affairs (LARA).
- **Frequency:** Annually or every three years depending on the use and boiler type.
- **Cost:** Paid by the applicant/licensee, variable depending on the inspector.
- **Code Section:** R 400.8510, Rule 510 (4)

- **Details:** Boilers must be inspected and a certificate provided to verify safety.

3. Environmental Health Inspection

- **Agency:** Local Health Department
- **Frequency:** Before issuance of the original license, every 2 years at renewal if the center has a private well or septic, provides on-site food service, or adds new programs.
- **Cost:** Paid by the applicant/licensee, variable depending on the local health department.
- **Code Section:** R 400.8305
- **Details:** Ensure compliance with environmental health rules, especially for food preparation and water quality.

4. Lead-Based Paint Inspection

- **Agency:** Certified Lead Risk Assessor
- **Frequency:** As recommended; generally every two to three years if lead paint was previously found.
- **Cost:** Paid by the applicant/licensee, variable depending on the assessor.
- **Code Section:** Not specifically cited.
- **Details:** Identify and manage lead-based paint hazards.

5. Pest Management Inspection

- **Agency:** Self-implemented; guidance from Michigan Department of Agriculture and Rural Development (MDARD)
- **Frequency:** Annually
- **Cost:** No direct cost; centers implement their Integrated Pest Management (IPM) plan.
- **Code Section:** Section 8316 of 1994 PA 451, MCL 324.8316
- **Details:** Implement an IPM program and notify parents/guardians of pesticide applications.

6. Furnace and Water Heater Inspection

- **Agency:** Licensed Mechanical or Plumbing Contractor
- **Frequency:** Before issuance of the original license and every 2 years at renewal.
- **Cost:** Paid by the applicant/licensee, variable depending on the contractor.
- **Code Section:** R 400.8510, Rule 510 (5) & (6)
- **Details:** Ensure fuel-fired furnaces and water heaters are in good working condition.

7. Electrical Inspection

- **Agency:** Electrical Inspecting Authority having jurisdiction.
- **Frequency:** As needed for new constructions, additions, or conversions to child care use.
- **Cost:** Paid by the applicant/licensee, variable depending on the inspector.
- **Code Section:** R 400.8550
- **Details:** Ensure electrical systems are safe and approved.

8. Vehicle Inspection

- **Agency:** Licensed Mechanic or Michigan State Police (MSP) for school buses.
- **Frequency:** Annually
- **Cost:** Paid by the applicant/licensee, variable depending on the inspector.
- **Code Section:** R 400.8720
- **Details:** Ensure all motor vehicles used for child transportation are in safe operating condition.

9. Playground Safety Inspection

- **Agency:** Certified Playground Safety Inspector (CPSI)

- **Frequency:** Before issuance of an original license, upon request of the department, and before using any newly added playground equipment.
- **Cost:** Paid by the applicant/licensee, variable depending on the inspector.
- **Code Section:** R 400.8170
- **Details:** Ensure playground equipment and areas comply with the Consumer Product Safety Commission's (CPSC) Handbook for Public Playground Safety.

Guided Conversation Tool

The Municipal Child Care Discussion Guide is designed to help facilitate conversations on how well your community supports Child Care services.

This resource is crafted to help you audit your local municipal code and practices, and identify opportunities for improvement, regardless of where you are in the broader planning process.

Municipal Child Care Discussion Guide

Introduction

This tool is designed to facilitate a structured conversation among municipal staff and stakeholders about how well your community supports Child Care services. By exploring these discussion points together, you will identify strengths, challenges, and actionable steps to improve local Child Care infrastructure.

Instructions

1. Preparation:

- Assemble a group of relevant municipal staff and stakeholders.
- Ensure participants have access to this guide and any pertinent background materials.

2. Guided Conversation:

- Work through each discussion point as a group, sharing perspectives and experiences.
- Compare your discussion to the guide's "Considerations" for each prompt to ensure all relevant factors are addressed.

3. Documentation:

- Assign a note-taker to record key insights, areas of consensus, and any action items.

4. Follow-up:

- Review the outcomes and develop an action plan based on your findings.
- Consider revisiting these discussions periodically to track progress.

This guide is a starting point for ensuring your community provides robust support for Child Care services, helping families and business owners thrive.

Zoning Policies

Residential By-Use

Prompt 1: Does your municipality allow the establishment of family day care homes (1-7 children) as a by-right use in residential zones? If your municipality doesn't, why not?

Consideration 1: Designating family day care homes (1-7 children) as a by-right use in residential zones simplifies the approval process, encouraging the establishment of home-based child care facilities. This approach ensures that these business owners can operate legally and serve their communities without undergoing complex and time-consuming approval processes.

Prompt 2: Does your municipality allow the establishment of group day care homes (7-12 children) as a by-right use in residential zones? If your municipality doesn't, why not?

Consideration 2: Permitting group day care homes (7-12 children) as a by-right use in residential zones supports the expansion of home-based child care services. This flexibility is crucial in meeting the Child Care needs of the community and reduces

administrative burdens on business owners, facilitating smoother operations and better accessibility for families.

Commercial By-Use

Prompt 1: Are child care centers permitted in residential, mixed-use, and/or commercial zones? Why or why not?

Consideration 1: Allowing child care centers in residential, mixed-use, and commercial zones maximizes accessibility for families and promotes the integration of child care facilities within the community. This approach ensures that parents can find convenient and accessible child care options close to their homes, workplaces, or daily routines.

Approval Process

Prompt 1: Does your municipality streamline the approval process for child care facilities by reducing bureaucratic hurdles? Why or why not?

Consideration 1: Streamlining the approval process by reducing bureaucratic hurdles is essential for encouraging the establishment and growth of child care facilities. Consider waiving fees for special use permits and adopting expedited review processes to facilitate quicker and more efficient approvals, thus supporting the expansion of child care services in the community.

Prompt 2: Are there any minimum spacing requirements between child care facilities or other requirements in addition to what is required by the state? If there are spacing requirements why?

Consideration 2: Minimizing or eliminating spacing requirements for child care facilities helps prevent unnecessary barriers to opening new centers. If spacing requirements are necessary, ensure they are reasonable and do not hinder the establishment of needed child care services. This approach helps maximize the availability of child care options for families.

Building, Fire, and Other Inspections

Inspection Timeliness

Prompt 1: Does your municipality allow for electronic inspection scheduling and tracking? Why or why not? What kinds of experiences has staff had with electronic scheduling?

Consideration 1: By allowing applicants to apply for, and track, their permits online the municipality gives more accurate and timely information to the applicant. This can also save time for municipal staff!

Prompt 2: Are building and fire inspections for child care facilities conducted in a timely manner?

Consideration 2: Conducting building and fire inspections in a timely manner is critical to support the opening and operation of child care facilities. Timely inspections help prevent delays and ensure that child care business owners can start serving families as soon as possible, contributing to the overall efficiency of the approval process.

Prompt 3: Does your municipality offer pre-inspections to help prepare for the official inspection?

Consideration 3: Offering pre-inspections allows child care business owners to identify and address potential issues before the official inspection, helping them to prepare adequately and avoid costly delays. This proactive approach supports business owners in meeting all necessary requirements efficiently.

Identifying Ready Properties

Prompt 1: Does your municipality work with local business development groups to identify open-ready properties for child care facilities? What is your municipality's relationship with our local economic development ecosystem?

Consideration 1: Collaborating with local business development groups to identify open-ready properties for child care facilities helps address the specific needs of child care business owners. This partnership can facilitate the identification of suitable locations, reducing the time and effort required for business owners to find and secure appropriate properties.

Overall Child Care Friendliness

Community Engagement

Prompt 1: Are there initiatives in place to educate the community about the benefits of child care facilities?

Consideration 1: Implementing initiatives to educate the community about the benefits of child care facilities is essential for gaining public support and understanding. These initiatives can include informational campaigns, community meetings, and partnerships with local organizations to highlight the positive impacts of child care on families and the community.

Prompt 2: Does your municipality integrate child care centers within community spaces such as parks, recreation centers, and schools?

Consideration 2: Integrating child care centers within community spaces such as parks, recreation centers, and schools enhances accessibility and promotes the inclusion of child care services in everyday community life. This approach ensures that families have convenient access to child care facilities, contributing to a supportive environment for both children and parents.

Prompt 3: Does your municipality highlight child care options on its public facing website?

Consideration 3: Publicly acknowledging the importance of child care and promoting both public and private options tells parents your community is welcoming of families. Even linking to *GreatStartToQuality.org*, the state's public search data-base for licensed child care can help families learn about what is available in your community.

Financial Incentives

Prompt 1: Does your municipality offer financial incentives such as grants, low-interest loans, or tax credits to encourage the establishment and expansion of child care facilities?

Consideration 1: Offering financial incentives such as grants, low-interest loans, and tax credits can significantly encourage the establishment and expansion of child care facilities. These incentives help reduce the financial burden on business owners,

making it easier for them to start and sustain their operations, thereby increasing the availability of child care options for families.