



Regional Child Care Action Plan



**Planning and Economic
Development**



This project is supported by funding provided from the Michigan Department of Lifelong Education, Advancement and Potential (MiLEAP) utilizing American Rescue Plan Act (ARPA) funding, from the Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services.

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Executive Summary

Introduction

The Macomb County Department of Planning and Economic Development (MCPED) received a planning grant to address the regional child care crisis. The project focuses on synthesizing existing and new research, cross-sector coalition-building, and strategic planning to meet the demand for high-quality, affordable child care. This report analyzes the child care system in Macomb County, highlighting systemic issues and proposing actionable strategies to improve access and affordability.

Coalition Formation

The Macomb County Child Care Coalition (MC4) comprises over 50 stakeholders from diverse sectors, including parents, child care businesses, municipal leaders, employers, nonprofits, and government agencies. Following human-centered design principles, the coalition collaborated over a year to analyze data and prioritize local actions aimed at expanding access to child care services and supporting economic growth.

Child Care Landscape

Macomb County, part of the Detroit metropolitan area, faces a growing demand for child care due to its demographic trends and economic composition. The county's largest industries, manufacturing and healthcare, require child care during non-traditional hours, which is currently limited by municipal and state regulations. Despite ongoing population growth, an aging population and reduced birth rates contribute to a complex child care ecosystem that is presently defined by scarcity and expense. The existing licensed child care infrastructure is inadequate, pushing many families to rely on informal care arrangements. The most visible metric of the market collapse is the dwindling number of licensed child care businesses, especially those that are home-based (generally accept infants/toddlers and are already embedded in neighborhoods).

Methodology

A mixed-methods approach was employed, including data collection through surveys, interviews, and desktop research. The coalition used public and private data sources to map the child care landscape, identify gaps, and understand barriers to access. Surveys collected feedback from parents, child care businesses, and business leaders, while interviews provided qualitative insights into the experiences of these stakeholders. Data collection was challenged by limited access to public data sources and frequent changes to child care policies and programs.

Key Findings

- **Insufficient Child Care Supply:** The county's current child care supply is inadequate to meet demand, especially for non-traditional hours. Municipal regulations, state policies, and high operational costs limit the ability of child care businesses to expand.
- **Barriers to Child Care Access:** Families struggle to find affordable, quality child care due to regulatory burdens, lack of flexible scheduling, and insufficient public funding. The complexity of navigating the child care system and the limited availability of up-to-date information exacerbate these challenges.
- **Inadequate Funding and Support:** child care businesses face low reimbursement rates, high administrative burdens, and inconsistent funding, which limits their ability to sustain operations or compete with expanding government solutions like the Great Start Readiness Program (GSRP), managed and predominantly run by Intermediate School Districts. Programs like the Child and Adult Care Food Program (CACFP) and the Child Development and Care (CDC) Scholarship are underfunded and overly bureaucratic, reducing their utilization and ultimate effectiveness.
- **Workforce Challenges:** Staffing shortages, low wages, and high turnover rates in child care settings undermine service quality and availability. Many child care workers earn below the living wage, and the sector faces difficulties in attracting and retaining qualified staff. Unintentionally competition from expanding government programs like GSRP sometimes results in cascading damages to local child care access for all age groups.
- **Regulatory and Policy Barriers:** Complex and overlapping municipal and state regulations create significant obstacles for child care businesses. Local zoning laws, licensing requirements, and inspection protocols are often duplicative, inconsistent, and costly to comply with.
- **Lack of Recognition of Child Care as Infrastructure:** Child care is not widely recognized as essential infrastructure, leading to a lack of investment and policy support. This gap in understanding affects both public and private sector engagement in addressing the child care crisis because it's everyone's problem whereas infrastructure is in everyone's interest.

Strategic Recommendations

To address the identified gaps and challenges, the coalition proposes several key strategies:

- **Develop a Child Care Referral Tool:** Create a tool to help families in Macomb County find child care that meets their needs. This tool should be widely disseminated and supported by community partners to improve access to information.

- **Create a Municipal Handbook:** Develop a guide to support municipalities in understanding the needs of child care businesses and aligning local policies with state regulations. This handbook will provide practical advice and tools to encourage child care expansion.
- **Help the Industry Leverage Child Care Management Software:** Support child care businesses in adopting management software to streamline operations, reduce administrative burdens, and improve efficiency.
- **Advocate for Policy Change:** Collaborate with key stakeholders to promote policy changes that recognize child care as essential infrastructure and provide the necessary funding and support to child care businesses.
- **Expand Funding and Reimbursement Programs:** Increase funding for programs like the CDC Scholarship and CACFP to ensure fair compensation for providers and expand access to affordable child care options for families.

Conclusion

The child care crisis in Macomb County reflects broader systemic issues that require coordinated action across sectors. By implementing the recommended strategies, stakeholders can improve access to high-quality child care, support economic growth, and foster community well-being. Effective child care solutions must involve recognizing child care as critical infrastructure and ensuring that both policy and funding align with this understanding.

Introduction

Purpose of the Report

Macomb County Department of Planning and Economic Development (MCPED) received a Regional Child Care Coalition planning grant from Early Childhood Investment Corporation's Innovation Fund as part of the statewide Caring for MI Future initiative, to address the regional child care crisis. The project focuses on conducting new research, building a coalition of stakeholders, and developing a strategic action plan. A key component of this effort was the creation of a cross-sector coalition that represents the various groups affected by the child care crisis. The primary goal of this initiative is to understand and address the critical need for high-quality, affordable child care through a regional action plan.

Historically, early childhood education has often been dismissed as merely "daycare" or "babysitting," reflecting outdated cultural and societal views. These perceptions suggest that child care is a private family responsibility until children reach school age, overlooking the crucial role that early childhood education plays in brain development. This mindset also fails to recognize the broader impact that inadequate child care has on communities and the economy. When families cannot access essential child care services, it harms every aspect of society, from local businesses to the broader economy.

While infrastructure investments generally receive bipartisan support due to their widespread benefits, the field of early childhood education has often been undervalued despite its significant potential. This report seeks to address this oversight by gathering and synthesizing data, historical policies, and personal stories from key stakeholders. The goal is to provide clear descriptions of complex systems and actionable recommendations for creating a lasting, strategic impact across Macomb County.

Coalition Description

Central to understanding the complexity of the child care crisis was the formation of a cross-sector coalition composed of community leaders throughout Macomb County. The Macomb County Child Care Coalition (MC4) includes more than 50 stakeholders from key groups such as parents and families with young children, child care businesses (including centers, home-based providers, and those accepting subsidies or offering private pay), early childhood professionals, municipal leaders, employers (including nonprofits and healthcare institutions), economic development organizations, workforce development groups, and other government agencies.

Following human-centered design principles, this diverse coalition convened regularly over the course of more than a year to develop a shared understanding of the multifaceted issues at play. The coalition's work involved reviewing and validating both quantitative and qualitative data from key stakeholders. This process helped prioritize strategic local actions to address the lack of child care options, which in turn has led to workforce disengagement, negatively impacting local businesses and the economy. The coalition's efforts culminated in a stakeholder-led root cause analysis and strategic planning process aimed at improving access to high-quality, affordable child care that meets both family and community needs. See Appendix 1 for the complete roster.

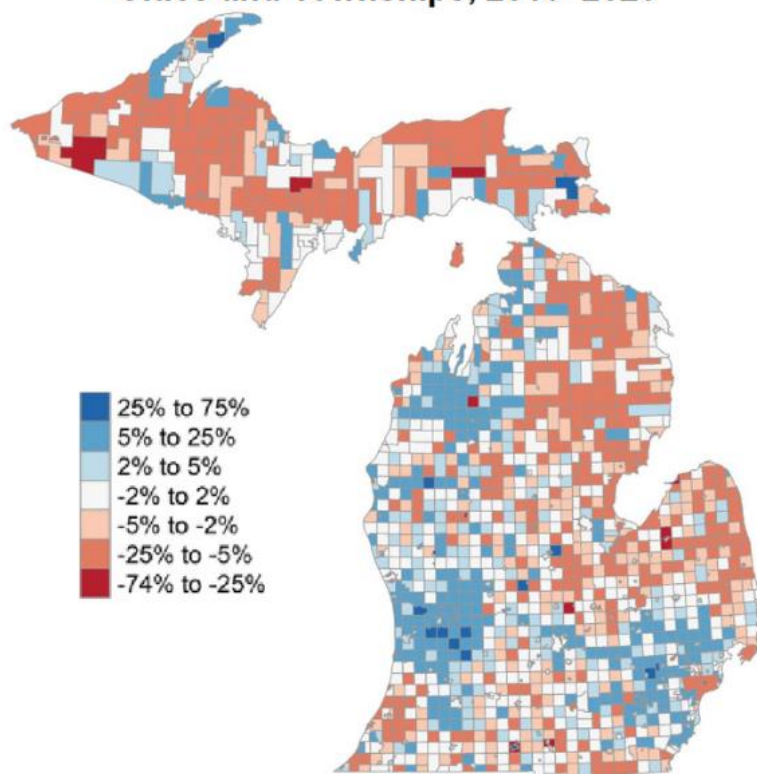
Region Description

Macomb County spans approximately 484 square miles in the southeast corner of Michigan, forming part of the Detroit metropolitan area.¹ It is the third most populous county in Michigan, home to over 870,000 residents living in a mix of urban, suburban, and rural settings.¹ The southern part of the county, including cities like Warren, Sterling Heights, and St. Clair Shores, is more densely populated and borders Wayne and Oakland Counties.¹ Macomb is also a part of one of three centers of population growth in recent state history (see the Figure to the right).²

The region has experienced consistent population growth since 1970, a trend expected to continue according to projections from the Southeast Michigan Council of Governments (SEMCOG).^{3,4} However, this growth is heavily dependent on incoming workers due to a long-term decline in birth rates, leading to an aging population where there are more older adults than younger people to replace them in the workforce.

The child care ecosystem in Macomb County is complex and multifaceted. Licensed child care represents just a small part of the solution, as many families resort to

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



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

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).

Given that manufacturing and healthcare are two of the largest industries in the area, there is a significant demand for child care during second, third, overnight, and weekend shifts. 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 Macomb County 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

Residents of Macomb County with children were engaged as coalition members through surveys and interviews. The Macomb Economic Planning and Development team led the survey distribution efforts. Coalition members were provided with marketing materials, including a QR code to guide families to the survey, and a social media and digital ad campaign was conducted over several weeks to increase awareness.

Additionally, County Executive [Mark Hakel recorded a video](#) encouraging residents to participate in the survey.¹ Those interested in participating in interviews could indicate so within the survey.

Desktop Research

Before the first coalition meeting, D3 conducted a preliminary review of public resources to provide the coalition with an overview of Macomb County's current child care landscape. This was followed by an extensive review of both primary and secondary sources to contextualize the child care crisis within broader historical, cultural, scientific, economic, and governmental frameworks. The goal was to synthesize existing knowledge and foster a shared understanding of the complexities with the coalition (MC4).

Baseline demographic data were gathered from sources like the U.S. Census and economic projections from SEMCOG's 2050 Forecast. 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.^{3,4}

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](#),² still direct those in search of child care resources to [non-functioning web addresses](#).³ 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 \(CCHIRP\)](#)⁴ 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 MC4 developed and distributed online surveys using Google Forms to collect feedback from key stakeholders, including parents in need of child care, child care professionals, and local business leaders. Macomb County Economic Planning and Development spearheaded the survey distribution and related marketing efforts. Monetary incentives, such as \$50 gift card raffles, were offered to parents and child care business participants. Recruitment efforts involved the Great Start Parent Coalitions, social media, community partners, email, and postcard campaigns.

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 206 parents and families from Macomb County completed the survey. The respondents primarily identified as "White, Caucasian, or Euro-American" (69%, n = 142), followed by "Black, African American, or Afro-Caribbean" (16%, n = 32), "multi-racial" (11%, n = 23), and 4% split among other categories. One respondent chose not to answer. Household income was reported by 202 respondents, with a median income of \$85,950, slightly higher than Macomb County's median household income of \$75,441.

A total of 107 child care business professionals from Macomb County responded to the survey. The respondents primarily identified as “White, Caucasian, or Euro-American” (68%, n = 72), followed by “Black, African American, or Afro-Caribbean” (17%, n = 18), “multi-racial” (6%, n = 6), “Latinx, Hispanic American, or Chicanx” (5%, n = 5), “Arab American or Middle Eastern American” (2%, n = 2), and “Asian American or East Asian American” (1%, n = 1). Two respondents declined to self-identify. The median household income reported by these respondents was \$67,828, which is significantly lower than both the county median and the parent sample’s median income.

Additionally, 57 responses were collected from non-child care businesses to explore the child care crisis from a business perspective. Of these, 32% identified as employees (n = 19), while the remaining 68% identified as owners or executives (n = 18) and human resource managers (n = 20). The industries represented in the responses were predominantly manufacturing (n = 16), government (n = 15), and healthcare (n = 9).

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 \$40 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. Although 107 child care business owners responded to the survey, only 3 of them completed the follow-up interviews. 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

An interview format permitted an opportunity to supplement wide-audience survey data with deeper qualitative data collection (e.g., more space to explore ideas, less structured than surveys, and an opportunity to build rapport with the interviewee). Parents and child care business owners were recruited for interviews via the wide-audience surveys with a question at the beginning of the survey asking if they would be interested in participating in a “paid forum” to share their experiences. Parents and providers were compensated \$40 for their time (for up to 2 hours).

While initial plans called for in-person interviews, they were shifted to Zoom to accommodate participants' schedules. Of the 20 parents who signed up, 9 completed the interviews. Out of 65 interested child care business owners, only 3 completed the interview process. Child care business owners' busy schedules (lack of availability) and “survey fatigue” (they reported receiving numerous unconnected requests for their participation in statewide surveys; some reported that they didn't complete our survey because they thought they already had).

Additional unstructured interviews were conducted with various municipal leaders (e.g., city planners), employers (e.g., McLaren Health), and system leaders (e.g., the Great Start Network). No incentives were offered to these participants because their participation was relevant to the daily duties of their roles and, therefore, less burdensome.

Research Team

D3's research team consisted of a combination of consultants specializing in data science, human-centered design, and subject-matter expertise. The data team, led by a senior data scientist, managed all aspects of data collection, cleaning, integration, and analysis. A human-centered design consultant co-led the project to ensure effective stakeholder engagement and validation processes for the interpretation of collected data, in alignment with stakeholder perspectives and the ultimate project goals. Additional consultants provided expertise in early childhood education, municipal contexts, communications, and various implementation supports related to stakeholder-led action strategies (e.g., technology).

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](#)⁽⁵⁾. 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](#)”⁶ from the Michigan Department of Education Office of Great Start and “[The Child Development and Care Subsidy: Challenges and Opportunities](#)”⁷ from the University of Michigan, produced similar findings. 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.

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

Macomb County has experienced ongoing population growth, though there is a notable “graying” of the population, meaning the county increasingly relies on incoming populations to sustain its economy. This also means that more and more of the decision-making population is growing further removed from the modern realities faced by households with young children.

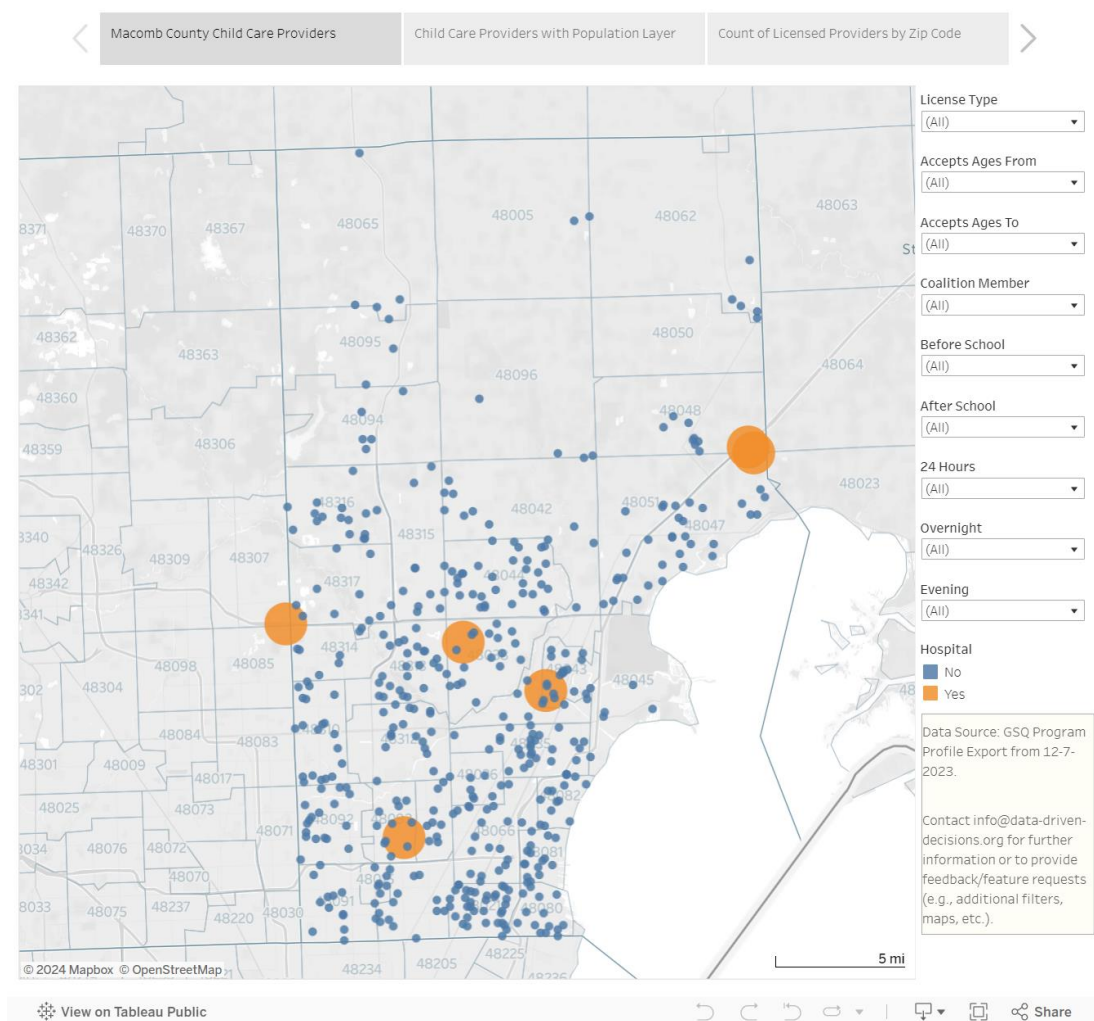
The SEMCOG 2050 Forecast indicates that for every child born in the region, five people move there in search of opportunities. The most significant population growth has been in households with seniors aged 65+ and individuals living alone aged 65+, accounting for nearly half of the household growth from 2010 to 2021.

Single-parent households also represent a key demographic trend, with approximately one in three households with young children in Macomb being headed by a single parent. This highlights the crucial need for child care infrastructure to support single-parent head of households to remain in the workforce ([FRED reference](#)).⁸

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.

To better understand the child care landscape, D3 developed an interactive data product using data from Great Start to Quality, visualizing the distribution of licensed child care businesses. The figure below shows a preview of the interactive tool that is publicly available ([click this link to access the cloud-based geomaps](#)).⁹

Macomb County Child Care & The Healthcare Hub

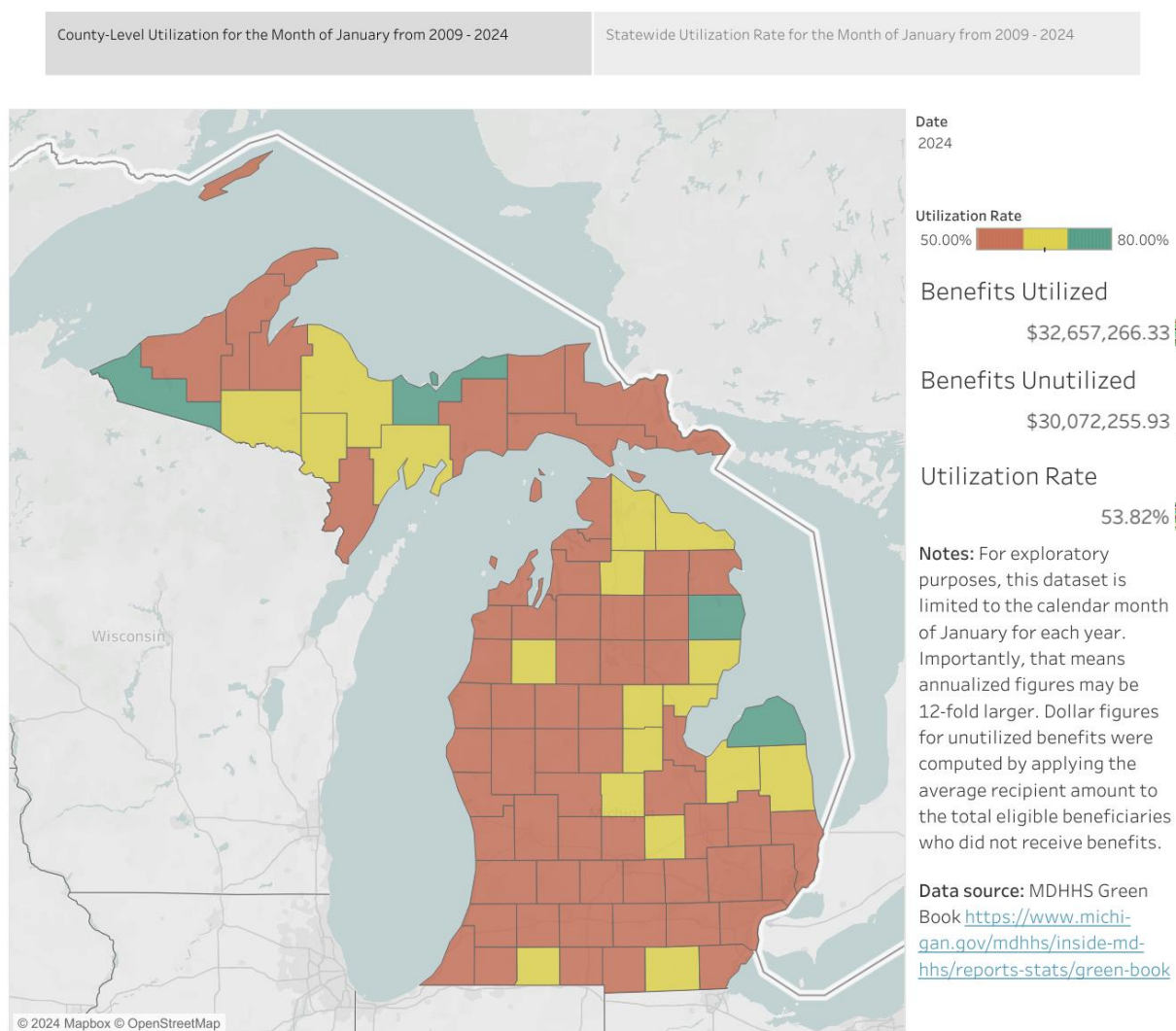


Also featured in the map are the local healthcare facilities (displayed as large orange circles) that operate at all hours and constitute not only one of Macomb's largest industries but also a workforce that is primarily women—the very parent most often pulled out of the workforce to resolve a family's unmet child care needs. 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.

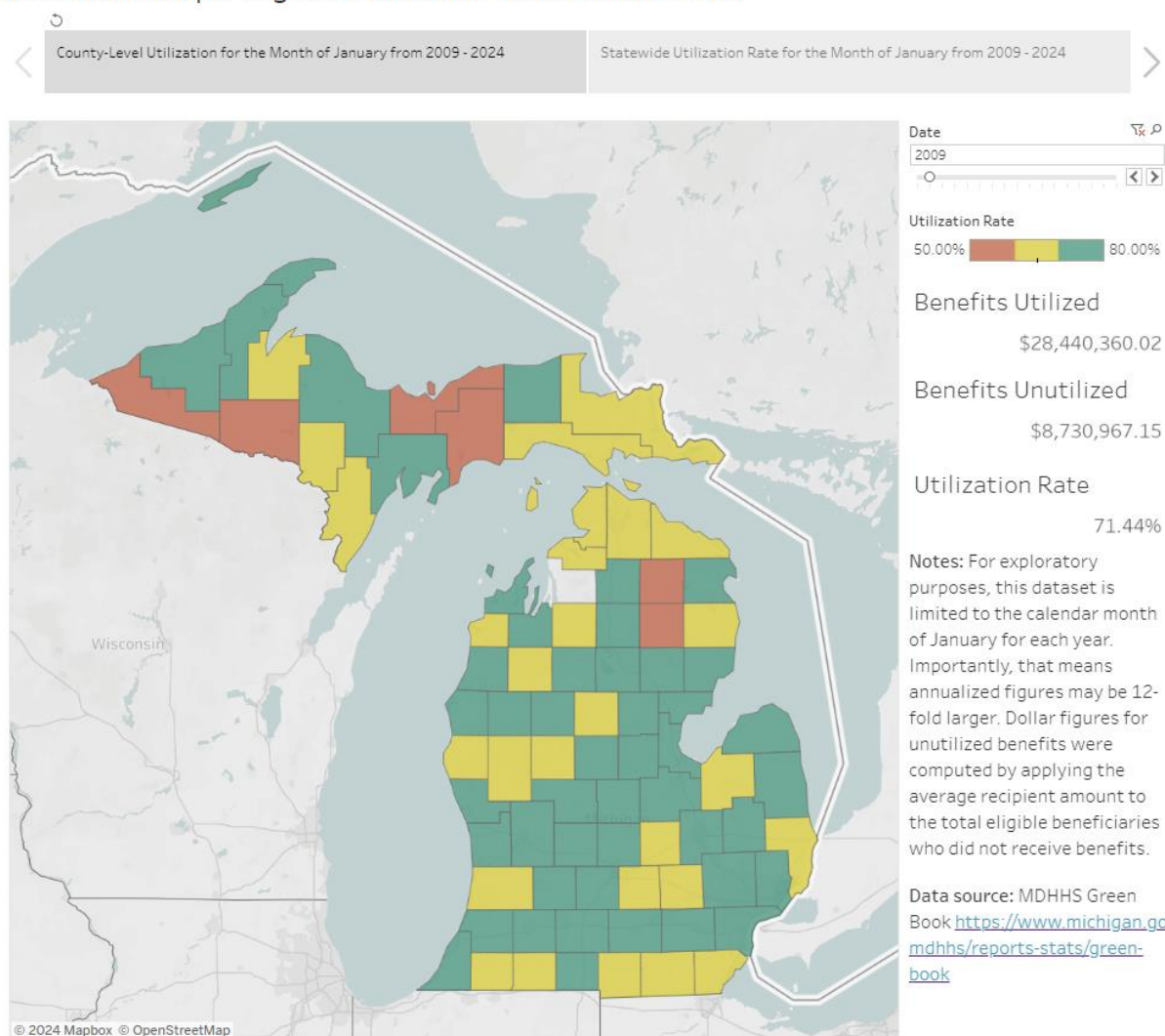
The MC4 was particularly focused on CDC Scholarship's program history and administrative data as opportunities for high-impact action strategies. Deep exploration of related primary and secondary sources were evaluated. MDHHS Green Book reports were compiled for timepoints spanning 2009 through 2024 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

CDC Scholarship: Program Utilization from 2009 to 2024



As shown by the color-coded utilization rates, Macomb County is documented as red (along with the majority of Michigan counties) which denotes CDC Scholarship utilization rates near or below 50% among approved, eligible recipients. The data pictured is from the beginning of calendar year 2024 and documents a statewide CDC Scholarship utilization rate of 53.82% and a Macomb County utilization rate of 50.60% (2,574 children served out of 5,087 eligible). An estimated \$2.1 million in approved CDC Scholarship benefits is lost on a monthly basis in Macomb County (the monthly figure is over \$30 million statewide; see the figure above which includes statewide metrics to the right of the map).

CDC Scholarship: Program Utilization from 2009 to 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 statewide low in terms of county-level utilization rates. At the time, Macomb boasted 74.47% utilization of CDC Scholarship benefits (4,598 children served from 6,174 eligible). In January 2009, Macomb County saw \$1,527,739.56 of CDC Scholarship

utilized leaving an unutilized monthly total of \$523,641.76. See the figure above which includes corresponding 2009 statewide metrics to the right of the map.

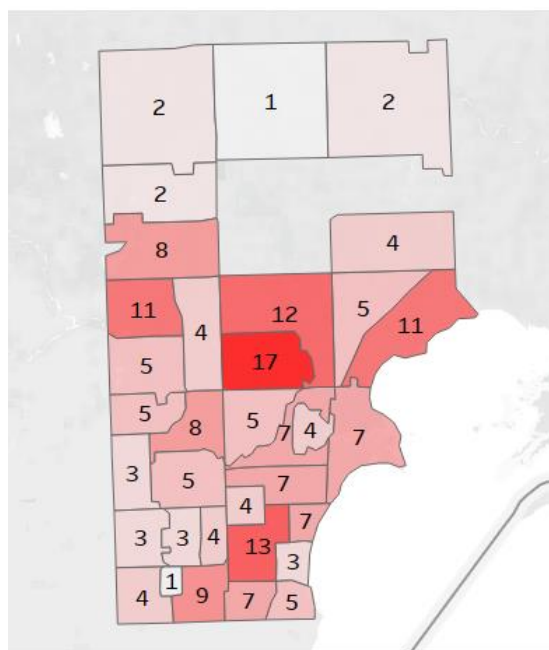
An annualized estimate of approved but unused CDC Scholarship benefits may reasonably exceed \$25 million for Macomb County—a sizable figure when understood as much needed child care infrastructure funding. Such funding would provide deep ongoing benefits to local child care infrastructure and the broader communities, businesses, and economies that depend on it. Additional CDC Scholarship revenue entering Macomb County 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.

Parents and Families

The vast majority of parent respondents (72%) reported living in a suburb near a large city, with smaller percentages living in small towns (14%) and large cities (12%). Only 2% of parents reported living in strictly rural areas. Among the 206 respondents (displayed by zip code in the figure to the right), household compositions varied, with 29% having infants, 42% toddlers, 36% preschoolers, 47% school-aged children, 14% teenagers, and 74% other adults.

Parents shared a wide range of household structures and challenges:

- **Fostering:** Nine respondents indicated they had fostered children, with three fostering at the time of the survey.
- **Divorce/Shared Custody:** Six reported being divorced or sharing custody.
- **Single Parenthood:** Four respondents identified as single parents, one of whom had roommates.
- **Grandparents:** Nine respondents were grandparents, some of whom had custody of their grandchildren.
- **Cohabitation:** Two respondents lived with others (not family) due to the cost of living and child care.
- **Special Needs:** Two respondents reported having someone in the household with special needs.



A few parent comments illustrate the diversity of struggles families face:

“We are very fortunate. We can afford stable housing and childcare for both of our children but we both have very well paying jobs (reported income of \$200k).”

“Both parents in the home, homeowners, 1 parent working full time 56hrs+/week, the other parent works 3 jobs, one of which is full time = 56+hrs/week also.”

“Divorced Parents that struggle with childcare. Living with parents to help with costs but childcare times don’t always work with work schedules. Depend on Grandma to stay over quite often to be able to manage our work expectations.”

“I am a single mother with limited options for child care. I am working but still qualify for state aid. I have a babysitter to care for my toddler during the day but because she is not an actual licensed facility, I cannot get help through DHS for child care.”

Most respondents (82%) were working full-time, while others were working part-time (10%), seeking employment (4%), stay-at-home caregivers (2%), or in school only (1%). Twenty-seven respondents were both working and attending school. The workforce represented in the survey spanned 26 sectors, with the majority working in government (22%) and healthcare (14%). Twenty respondents reported working multiple jobs to make ends meet:

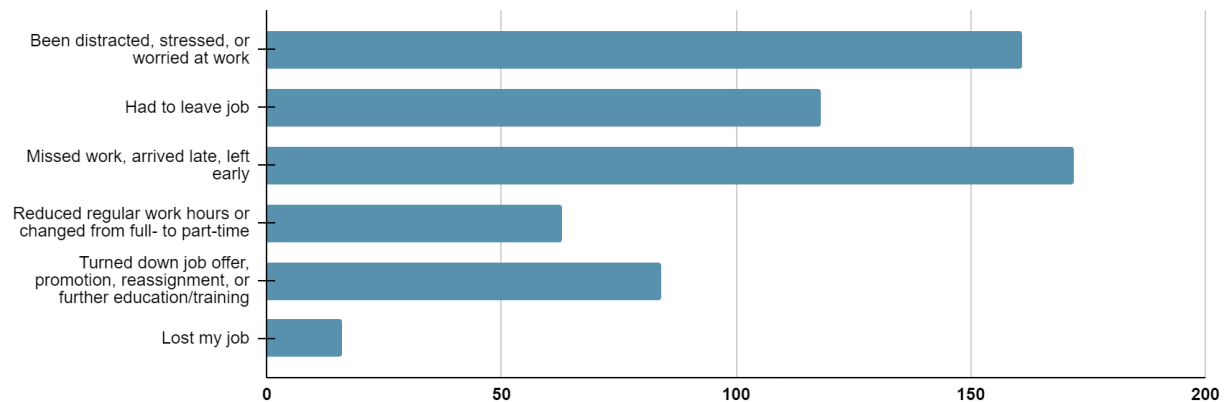
“I waitress part time on the weekends to help with food costs. I make too much to get food assistance.”

“I work a second job to cover the cost of daycare.”

“I work one job. My husband is working 3 jobs; he’s a teacher, musician, and a church choir director.”

When asked how child care issues impacted their employment, only 16 respondents indicated that none of the provided issues applied to them. Of these 16, some were stay-at-home caregivers, not seeking employment, unemployed and seeking employment, or part-time workers. See the figure below (next page) for a summary of the employment issues reported by all other respondents.

Which of the following have you experienced because of child care issues?



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 not always offered in preferred locations. These factors contribute to work-related issues like tardiness, absenteeism, and even decisions to forgo promotions or leave the workforce entirely.

Finding Care

Starting in 1988, prior to the creation of the Great Start to Quality Resource Center, Macomb County had a program called the 4Cs. This entity was responsible for comprehensive resource and referral services for child care business owners and providers, as well as families and folks seeking care. Staff worked with families 1:1 over the phone, in-person, and via email to help families identify child care options that met their needs. To support making actionable referrals, 4C staff contacted all licensed child care businesses monthly to track availability across age groups. This type of comprehensive support of families to find child care with direct human services was phased out in favor of more scalable, self-service referral solutions when the United Way became the resource and referral entity for Macomb County.

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

providers. When they are contacted by families seeking child care referrals they are directed to GreatStartToQuality.org.

The Help Me Grow hotline and the "Find High-Quality Preschool" number operated by MISD offer some guidance for inquiring parents but are not fully equipped to handle the high demand for personalized referrals. The Help Me Grow hotline is operated by one part-time staff person and the "Find High Quality Preschool" number is geared towards referring to the Great Start Readiness Program.

The Great Start Collaborative Director noted that they had not expanded marketing of the Help Me Grow hotline due to limited staffing. Providing high-quality, individualized support takes time, and the hotline is currently staffed by only one part-time employee. This limited capacity means most child care requests, unless involving special circumstances, are directed to the Great Start to Quality website. These phone calls are not a five minute affair. Her single part-time staff person who takes these calls is close to capacity. The GSC Director agreed that the phone number could be included in materials to support families with finding child care options but clarified most often child care requests, unless the child has a special circumstance like a developmental delay, are sent to the Great Start to Quality website. A very different experience for families than that described by the staff of the 4Cs.

A Great Start Readiness Program (GSRP) representative from the Macomb County Intermediate School District reported that there are more than enough spots in the local programs for all eligible four-year-olds, meaning few callers are turned away (even those above income guidelines who would otherwise be turned away or being placed on a waitlist). However, families needing care for children of other ages are typically referred to the Help Me Grow hotline or Great Start to Quality website.

GSRP is a school-year, school-day program. In some cases only half-day programs are offered at the site, meaning families must figure out transportation and a second child care solution for their children to be in care while they are working. While the GSRP part of the day may be no-cost for families, the additional before or after care services will likely have a cost associated with them. One parent comment highlighted the difficulty of finding suitable care:

“There's too few trusted and licensed facilities in Macomb County. And those that are an option, are too restrictive. A KinderCare recently opened but is only taking full time children and costs thousands a month. After school care and summer camp through the schools is easier, but they close early and aren't open every day in the summer, leaving parents scrambling during the week of July 4 and the last two weeks of summer.”

The MISD web pages for [Early Childhood](#)¹¹ and [Early Childhood Resources](#)¹² focus primarily on the Great Start Readiness Program, a program that is administered by the ISD at qualifying schools and child care businesses. There is no highlighted resource for infant and toddler child care. Resources for families did not include information about

Michigan's publicly funded child care search portal, Great Start to Quality (GreatStartToQuality.org). This further reinforces the notion that families are presently left to navigate child care challenges on their own.

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 providers across multiple locations, which is not ideal for commuting families. Unlike the previously described 4Cs program that had staff collecting data monthly, the data on this website is updated by child care businesses when and if they have the time. Therefore, available information is often outdated. For example, the program profile for the top result in Warren has not been updated since 2021, and results for Sterling Heights, Roseville, and Mount Clemens were last updated in 2022. The village of New Haven's top result was updated in 2023. The system search results 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.

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.

In interviews, families reported using various methods to find child care, including driving by daycares, asking friends and family, and searching on Google and Facebook.

“So when he was little it was actually a daycare I drove by every single day from work to home.”

“So my current child care arrangement was a referral. So I had, I wanna say, 2 families refer the facility to me and I called, had a conversation with the owner and then went and took a tour and decided to enroll my daughter in there.”

“[I looked] on Facebook, Google reviews. I forgot what the site is called. But it's like something through, like a portal online where you can like, look at stuff for daycares? I don't want to say it's 'Great Start', but it's something of that nature.”

When deciding on where to move, families may look up the websites of cities, towns and villages to see what is offered there. Municipalities in the county rarely, if ever, list options for early care and education programs. Those that list anything typically identify school-age programs through the Parks and Recreation department. This leaves new and prospective families on their own to figure out where to start looking.

There were no municipalities of any size found to be advertising or highlighting the child care businesses in their area as an essential part of being a good place to “live, work and play.” Nor were any scholarships or other programs identified that offer support paying for care for children under school-age. This lack of acknowledgement of child care businesses and early childhood education perpetuates the parental experience that until your child is five years old you’re on your own. The silver lining is that municipalities have the opportunity to platform their essential child care services and infrastructure as a core aspect of being a development ready community.

Cost of Care

The child care tax benefit in the U.S. is \$2,000, while the average annual cost of child care in Macomb County exceeds \$12,000, 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. 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). Parents frequently reported missing work, arriving late, leaving early, and turning down better job opportunities due to child care challenges, as the following anecdotes illustrate:

"I quit my full-time job after my second child was born in 2016. It would have cost almost my entire salary to pay for daycare for two kids... We were miserable as a family. My oldest had sleep apnea causing poor growth and feeding difficulties. He needed one or two people familiar with his eating difficulties to care for him—this was impossible in a child care center with high turnover, and his health was suffering."

"When I think of quality child care, there should be openings anywhere around you or near you, and DHS [Child Development and Care subsidy program]... It should be affordable where you do not have to make this decision of...can I pay this bill or do I have to pay for child care?"

“I've been through a mix of child care arrangements in the last couple of years. My current one is to be a stay at home mom because I haven't been able to afford child care.”

“I think the first thing I would ask [another parent about their child care arrangement] is, do they have any openings? And then... How much do they cost? And unfortunately... How safe do you feel?... What do they do there?”

The average cost of child care in Macomb County (\$12,695 per child according to the [MIT Living Wage Calculator](#))¹³ is far from the 7% of a family's income which is deemed an affordable amount per federal guidelines. In fact, the only expense listed higher on MIT's website is Housing which comes in a little over \$15,000. 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.

“I do reach out to try to have like DHS [Child Development and Care Subsidy] try to help. But that also is a problem in the community, getting any type of assistance takes so long to the point where... people either lose their jobs or have to cut [back] on time or have to pull their kid out because they're not getting the assistance that they need right away... Currently I am on like week 4, 5 waiting for something to come back. And I needed child care a month ago. Or there's waiting lists. So... I pay out of pocket at the moment.”

“My daughter. She's raising my grandsons by herself, so she doesn't have the support of the father. And it is the cost. And so that's why she reached out to DHS. And they denied her. They just denied her for my youngest grandson because they said that she made too much. And she's saying if I'm making so much, why would I have to reach out to you to help me pay for child care? It's like a catch 22 like she's saying, Do I need to quit my job and sit on my backside so they can pay for child care? That's the only way she says that she can get benefits. It is very frustrating... and I don't see it changing any time soon. I really don't.”

It is clear from the data collected this is not just a “poor family” problem, nor is it reflective of folks who cannot manage their money. In interviews the cost of care came up time and time again as a barrier and limiting factor in securing child care that fit a family's needs and preferences.

“I decided to participate [in the interview] because my daughter. When we had her we struggled with child care. Not just finding it... I mean we found it pretty quick, but it was the cost. It was the overwhelming cost. At the beginning of our child care journey, we reached out to GreenPath debt solutions to go over our... finances. [They] flat out told us... you're just gonna have to skip payments on bills here and there, and you're gonna

have to tread water until your child becomes 5. Because if either of you quit your job to take care of her, you won't have the income to pay your bills. But you [need] her in child care... it's one of those things. [It] seemed like a mandatory, forced expense. It was so overwhelming."

"As a middle class family, we make too much to be approved for any type of child care assistance, but barely enough to pay for child care. It has been a huge stressor in our lives and is something we struggle with daily as we have no family that lives close by."

"While I, on paper, make a decent income. The reality is... it's not feasible. You know? My housing and food costs eat up most of my income, and with the amount of inflation of food and housing costs... I don't see how anyone that is in my income brackets can afford these things."

Some families reported that the cost of care was so high that it deterred them from working altogether:

"Having some sort of subsidy like money that goes towards child care cause even when I was working part time. By the time you add up all the cost of child care. It's almost like a wash, you know, for what you make versus what you pay in child care."

[It] kind of disincentives wanting to go back to work because it's just... the stress of everything, it can be difficult. If [the government] could... help with the cost of it somehow. That would really help out cause [it costs] like \$70 or \$80 a day to watch my child... \$10 an hour doesn't sound that expensive. But then, when you have to add it up for all the days... it just adds up...

So although I think sometimes the rate seems correct, it's just sometimes too costly to bear."

The cost and inconsistency of child care are major stressors for families. One parent stated:

"Overall the cost and inconsistency of child care is the most stressful. Once kids are in school there is some ease, but half days, and days off including summer are very hard to navigate for parents and the cost is just not realistic. I make the most money I have in my life and I can not afford 1 hour of after care for both kids everyday after school."

Another echoed their response:

"Financial support. I started calling a couple of different child cares, private ones, just to see if they offer scholarship or something anything, but I

haven't found one yet. I'm still looking. But yes, I wish we offered more financial support, especially for those who need it for specific circumstances, scholarship, grant-based.”

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. 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.

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 44% of Macomb's licensed child care businesses accept CDC Scholarship (209 of 479 licensed programs as of September 5, 2024). In practice, the number of licensed child care businesses serving children with CDC Scholarship is even smaller because market rates often exceed CDC Scholarship reimbursement rates. This offers some insights into possible barriers.

CDC Scholarship is, currently, the most equitably accessible funding source for Macomb families. However, both child care business owners and parents shared concerns about the program:

“[CDC Scholarship is] not fair to the parents... [who] do turn in the paperwork, but then they get another case worker without [being informed] there's another worker. They do that telephone interview, everything... Well, now, she's our [political office]. But she was [political office] who helped me out a lot because us providers don't get that letter [which

approves or denies the child for subsidy] until we've already got 3 weeks of care behind us, and that is aggravating. I wasn't given that opportunity to be able to talk to the worker anytime... it got all straightened out, but it wasn't a one day fix. And I was in that [place of deciding]... Do I let her go? Am I gonna get paid?"

"[The CDC Scholarship] raised the income level back... [during] the shutdown... Great Start to Quality told us to let all our parents know. And do you know, not one of my parents got CDC payments."

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. 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.

Parents shared their frustrations about the lack of choices:

"But if we're talking quality, [that's knowing] there are enough adults to make certain that all the children are safe at all times, that her needs are being met. You know she's going to the bathroom. She's you know, she's eating regularly, and you know some sort of intellectual or social stimulation is nice. But you know, the more of that you ask for, the exponentially more expensive it becomes."

This sentiment 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.

Problem Statement #1

Child care is unavailable and inaccessible to families.

The current child care system places the burden of identifying and affording child care options squarely on families, rather than viewing child care as a community responsibility.

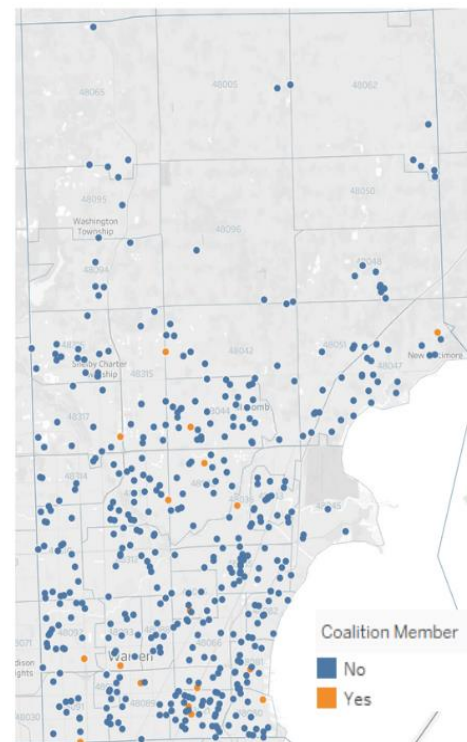
Key barriers include:

- **Absence of a Referral System:** There is no comprehensive referral system to help families find suitable care, leaving them to navigate the process on their own.
- **Inability to Leverage Child Care Subsidy:** Complex requirements and bureaucratic delays prevent families from utilizing available subsidies effectively.
- **Inadequate Operating Hours:** Most child care businesses do not offer care during the hours that many families need, such as evenings or weekends.
- **Lack of Flexible Scheduling:** Families struggle to find care options that accommodate irregular work schedules or part-time needs.
- **High Cost of Care:** The cost of child care is often beyond the means of many families, forcing them to make difficult financial decisions.

Child Care Business Owners

As of December 2023, Macomb County had 486 licensed child care businesses, providing a total of 28,815 licensed slots. Of these businesses, 63% were licensed centers (n = 306), 24% were licensed family homes (n = 115), and 13% were licensed group homes (n = 65). The Macomb County Child Care Coalition (MC4) included 17 members from these licensed programs, shown as orange markers on the figure to the right. All other licensed child care businesses in the county are indicated by blue markers. Please note, these counts do not include license-exempt providers (related and unrelated) or unregulated family, friend, and neighbor care.

A total of 107 valid responses were collected from child care businesses by the Fall of 2023. Among



these respondents, approximately two-thirds operated center-based programs (n = 72), and nearly one-third operated home-based programs (n = 33). Two respondents reported offering family, friend, and neighbor care.

Not all providers identified their municipality, but of the 72 who did, the most common locations were Warren (n = 15), Clinton Township (n = 10), Shelby Township (n = 10), Sterling Heights (n = 9), and Macomb Township (n = 6). The remaining responses were spread across various municipalities or not reported. The majority of respondents (73%) reported living in a suburb near a large city, while 14% lived in a large city, 12% in a small city or town, and only 2% in a rural area.

Additional demographic information from the child care business respondents included:

- 67% of businesses were women-owned.
- 25% of businesses were owned or directed by people of color.
- 78% of respondents were over the age of 40, including 45% over the age of 50.
- 19% reported holding a second job.

The survey revealed several challenges faced by child care businesses:

- 53% reported a lack of applicants for open positions.
- 56% stated that applicants were not qualified.
- 57% could not offer competitive wages.
- 48% faced difficulties finding substitutes.
- 40% reported burnout and low staff morale.
- 27% experienced high staff turnover.
- 25% lacked time or resources to develop current staff.
- 16% said that fingerprinting and background checks took too long.
- 55% reported incomes less than living wages for a single adult.

The prevalent themes among child care business owners focused on issues related to the overall market failure—parents can't afford to pay and providers can't afford to stay.

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 Macomb County provide insight into their challenges:

“I think that this job is super demanding. I think it sucks the life out of you. It really does to the point that your house has to always be clean at 7:00 o'clock in the morning. The beds have to be made... It's a hard job, you know, and I'm 50 now, and I feel like I'm still changing babies and diapers... And then the food program, we're constantly spending. It's like you're going to work for the day but you're gonna buy lunch for 6 people every day. Could you imagine you're gonna take that out of your money? Like, it's just--it's a lot, and licensing is a lot... always making sure your paperwork is documented. There's a lot that goes into it... especially if you do curriculum. It's like still working late in the evening cutting out things for the kids. Yeah, it's long hours, it really is.”

“Many of the requirements set by the State are overburdening and not cost effective without additional financial support. Having to increase tuition rates to meet some of these unnecessary requirements (i.e., group sizes) is not fair to parents.”

Additional stories from coalition members and survey responses highlight further challenges:

- A child care business owner in Macomb almost defaulted on a seven-figure loan because there was only one person employed at the State of Michigan who could complete the required fire inspection for newly constructed child care businesses.
- A center owner had staff offer to loan her the money to cover her rent payments because the CDC Scholarship payment had been delayed, putting her in the position of either paying wages or paying her rent on time.
- Another owner, expanding her center-based business, faced a situation where renovations to a building next door had to be completed to code *before* applying for a change of use permit. This meant her intended use could still be denied and the expansion opportunity therefore constitutes a substantial financial liability.
- Any renovations over \$15,000 required an architectural sketch, costing between \$2,000 and \$10,000, often done by architects unfamiliar with child care building codes, resulting in further costs for edits.
- Fire inspections and environmental inspections are required by both the State and municipalities, but the two do not always accept the inspection done by one to meet the requirements of the other. Both have fees the child care business owner is required to pay associated with them. It is unclear what stops municipalities and/or the State from allowing one inspection to meet both requirements. See the Municipal Regulation section for more information.

Owning a licensed child care business is highly demanding, with long hours, strict regulations, and heavy financial burdens. Providers in Macomb County 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. A provider member of the coalition who is operating a licensed business in her home and a center is required to be aware of, and in compliance with 576 pages of licensing requirements. 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

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.

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.

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

TABLE 1 Early Childhood Program Director Qualifications			
	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. As one business owner shared:

“Help connect qualified staff candidates or allow more flexibility for educational requirements (i.e., training courses instead of college credits), allowing assistants to work as leads for summer programs, night programs, and weekend programs so a center can offer more days and times to parents while still offering time off for their main staff.”

Training Requirements

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

“I like the online training that I'm doing through MiRegistry. I enjoy those, I really do. I like that. You can go into your little breakout rooms and converse with everybody...”

“In a lot of those Great Start to Quality videos are people who are daycare providers, which I have always good respect for them, but you gotta be more specific. You gotta have that child in that video showing me how and what to do, where to get the resources.”

“I'm not interested in any of them. Yeah, even the one that the State of Michigan requires... the Refresher training. When the rule says that they'll make one if something comes up and I even wrote what the rule said, not an every year refresher. They think we're ignorant.”

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:

“Not very often there is... I just did a 6 hour cohort for WonderSchool for a business how to make a business plan. Yeah, that was pretty informative. It really was good.”

“Probably about 20 to 25% of the time I'm in training. There is one training I hate, I have to take it every year, the Refresher. It sucks. It's the same thing. It's nothing new. It's not giving us [anything of value]--we know it like the back of our hand.”

“No, I think what most of us do is we just literally look at the date, and we literally just click on the hours and try to get the ones that we can as quickly as we can. And we don't really find ones that [are what we really want]. You only have like this much time, you know. I don't really want to do [the training I signed up for], but I'm doing it.”

“90% of the time I'm doing it just to get my hours. To be honest, you don't really know what you're getting. Whenever you don't know what this training is gonna be about. You don't know how the person that's doing it is gonna be like some of them like you want to fall asleep in, you know... It's like a goody bag. You do not know what's gonna happen.”

“If I Could Wave a Magic Wand”

When asked about the support they wished was available, child care business owners mentioned several points related to the Great Start to Quality Resource Centers:

“I think sometimes as staff, we need somebody to go to talk to... Don't give us a vision and not give us provisions... Hear our voices, make sure we're taken care of as providers because we're providing for the next generation of leaders.”

“And as for anything else with the business... I can do my own taxes, cause that's what I came from was accounting... [For] contract writing I had a really good lawyer, a friend that helped me, you know, with contract writing. I just didn't go with Joe Shmoe, you know, to get where I'm at today... It's like, if you're gonna offer class. we got to visually see it. You can say all you want, but if you're not, or the resources even, you know? Great Start to Quality had no resources, and that's why my client made those boards and those pictures and stuff like that. But they say they have resources, but they don't. They give you paper. I have a whole folder of Great Start to Quality papers.”

“Great Start to Quality had no resources, and that's why my client made those boards and those pictures and stuff like that (a child in care was non-verbal needed communication tools). But they say they have resources, but they don't. They give you paper. I have a whole folder of Great Start to Quality papers.”

“First of all, [Great Start to Quality staff] should be available when you need them because a lot of the time, I think they're understaffed, because, you know, I mean, they did let a few people go. They hired quite a few during the Grant process and then, of course, let them go. I think there's a funding issue. But instead of saying, Hey, [provider name], I'm gonna drop something off at your door. It'd be nice if they came in and explained, cause they just changed their whole process of us renewing. We're always renewing and I called because you have to upload a lot of documents. I said we work 12-14 hour days, can't you just give me a list of what [is needed]? And she said, yeah, we have it. She dropped it off my porch. It was not what [I needed].”

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 explain 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.

If a child care setting is out of ratio or group size requirements, it is considered a licensing violation. It is easy to imagine that when a staff person calls out sick, it becomes a serious issue for the child care business and all the families depending on their essential service. 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.

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-ager 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).

Staffing Shortage

Child care businesses face significant challenges in maintaining their businesses while offering affordable care. One anecdote expressed the situation clearly:

“The biggest challenge as a provider is staying afloat making enough to keep serving the public. Most families in 2023 don’t make enough to afford childcare but in the same token don’t qualify for public assistance.”

Another provider emphasized the need for recognition and fair compensation:

“Realize how important we are, we’re not just babysitters, pay us what we’re worth.”

The [Balancing the Scales](#)²³ report by ECIC and TalentFirst highlights some of the most pressing staffing challenges in early care and education settings:

- 67% of the child care workforce makes less than \$15 an hour in Macomb County.
- 53% of early childhood educators earn below the self-sufficiency standard for an individual without children.
- The workforce has shrunk by 16.5% between 2001 and 2022.
- 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.
- 81% of all occupations in the region earn more than a Lead Teacher.
- 64% of Lead Teachers in dual-income households must rely on some form of public assistance. That share rises to 99% for Lead Teachers in single-income households.

Given these figures, it is unsurprising that child care business owners struggle with hiring and retaining qualified staff. As one provider explained:

“[There is a staffing shortage] because of wages and we can't offer health [insurance]... I mean, I pay out of my pocket for my own health insurance and I can't offer them a retirement. I can't. I can't offer them but a salary and the fun of being... [staff that] love the kids, and... it is a fun job, especially in the summer when we can be outside. But that doesn't make up for health insurance. That doesn't make up for a retirement fund... I'm gonna be honest with you right now.”

Another provider reflected on the difficulties of continuing in the field:

“If I hadn’t been out of the work force as long as I have for these 24 years I would get out of daycare. Yeah, I would close down my daycare and go get a job.”

Some providers have had to turn to family members for help to make ends meet:

“Right now, I have a [family member] working for me. Because again, I mean before I wasn’t paying, I mean couldn’t afford to pay good money. But I feel [that family member] knows what I want in child care. I hired a few others in between, but they think it’s just sitting on a couch.”

Surveyed child care business owners described various staffing challenges they face:

- 57% found themselves unable to offer competitive wages.
- 56% stated that applicants were not qualified.
- 53% reported a lack of applicants for open positions.
- 48% had difficulty finding substitutes.
- 40% reported low staff morale and burnout.
- 27% experienced high staff turnover.
- 25% lacked time or resources to develop current staff.
- 16% noted delays in fingerprinting and background checks.

One business owner captured the difficulty of finding quality staff:

“It is really hard to find staff that want to work with children and are actually good at it, all these new centers opening is making it harder to find staff.”

When asked for additional thoughts on providing child care in their communities, several key themes emerged:

- The need for child care businesses and staff to earn a livable wage.
- More funding opportunities to support staff wages.
- More funding opportunities to provide benefits like paid time off, maternity leave, healthcare, and retirement.
- More grant opportunities to support operational expansion.

Another respondent summed up the need for fair compensation and flexibility:

“We need to be able to increase salaries/wages while still making childcare affordable for families. The requirements are high and the wage is low without schedule flexibility, people choose retail and work from home over childcare.”

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.

GSRP Expansion & Pre-K for All

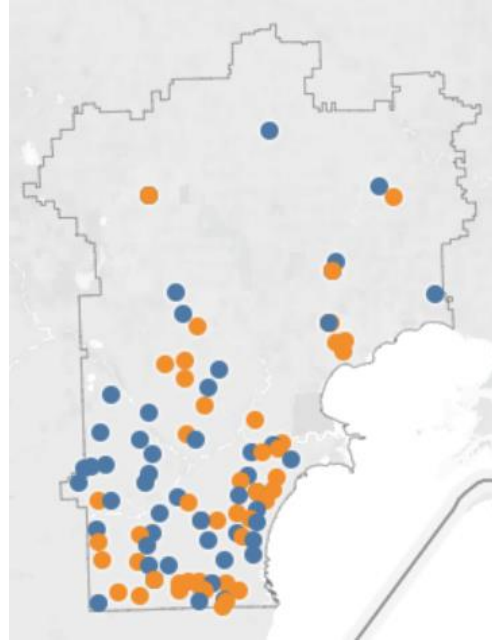
The Great Start Readiness Program (GSRP) is Michigan's state-funded preschool program, established in 1985 and funded by the School Aid budget. GSRP sometimes requires families to meet certain income qualifications, but there is no requirement for parents to be working or engaged in an approved activity, 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.

Among our survey respondents, 38 indicated they receive GSRP funding: 10 were school-based classrooms, 13 were centers that also accept school-age children, and the rest were centers that do not accept school-age children. School-based programs reported opening between 6:30 am and 8:30 am, with the majority opening between 8:00 am and 8:30 am. Six of the ten programs closed by 3:30 pm, and only two remained open until 6:00 pm. Among centers (n = 25), all but six reported opening by 7:00 am, and all but five remained open until 5:30 pm or 6:00 pm.

The image to the right is a screenshot from the MSU mapping project and displays Macomb's GSRP locations. Through GSRP, Macomb County served 3,093 children (49% female, 51% male; 45% White, 38% Black, 3% Hispanic, 6% Multi-Racial, and 8% Asian).



Benefits of GSRP

We asked survey respondents to share the benefits of administering GSRP. Respondents highlighted additional funding that allows for higher pay for teachers and the ability to support families:

“Providing quality preschool to children. [It’s] grant funded so I do not have to chase all of the money I need to pay the bills. Although I do not know what day the check is arriving.”

“Once the classroom is at capacity it is guaranteed funding for the children, additional training opportunities for the staff, additional behavioral support through the MISD, and being able to provide quality preschool for families who wouldn’t otherwise be able to afford it.”

Challenges of GSRP

We also asked survey respondents to share the challenges of administering GSRP.

68% reported difficulty finding qualified staff:

“Finding qualified staff and the delayed reimbursement schedule. We pay up front for 8-10 weeks of expenses and wages before receiving any funding at the beginning of the school year, this causes a huge burden financially.”

37% cited a high administrative burden:

“The amount of administration work is not worth it when administration is so limited on funds for our paychecks. As a director I am doing twice as much paperwork for the GSRP class as I would for a Pre-K class and GSRP limits so much of the compensation I could receive for it. Also

communication from the ISD is all over the place. Things are changed, so much is communicated verbally that doesn't match what is on paper.”

21% reported that the per-child allocation is too low to meet program requirements:

“The per-child allocation for GSRP is not enough to meet the requirements of the program. The administrative components are too much work. It is difficult to find staff that meet the required qualifications, Finding the students-the uncertainty, business risk and insecurity of being a community based program that can lose funding if not full. I have to have the required staff but no guaranteed level of income no matter how many students.”

20% stated that the schedule does not meet family needs:

“We just opened a 2nd classroom, however our struggle is accommodating the after-school care needed for these families who work. My tuition based staff is on overtime to provide this service, and it's not part of the funding.”

[Macomb County’s early childhood education workforce has shrunk by 16.5% since 2001](#),²³ and over 50% of licensed child care businesses in the county have closed in the past four year period (restated for technical clarity, half of every licensed program open 4 years ago has already shuttered its doors). While new businesses are regularly being licensed, they do so at a slower rate than the number of closures—a trend seen across the state for decades.

When we asked why some did not administer GSRP, **28%** cited difficulty in finding staff. There are not currently enough staff available to child care programs that are already operating to provide care to as many children as they are licensed to serve. **59%** of respondents indicated that they cannot operate at capacity due to a lack of staff, and **60%** identified the inability to offer competitive wages and benefits as a significant barrier to staffing.

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

Home-based child care businesses have expressed concerns about being excluded from the GSRP expansion:

“Most people are looking for GSRP programs and home based childcare programs can’t do GSRP that’s why I would love funding to expand plus I have my Bachelors in early childhood.”

The *Pre-K for All Roadmap* acknowledges the need to support home-based child care businesses and proposes pilot programs with these businesses. However, it does not fully consider the potential impact of excluding home-based providers from GSRP participation, regardless of their qualifications or use of an approved curriculum. **68%** of home-based providers indicated they would be "Likely" or "Very Likely" to participate in GSRP if given the necessary resources.

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

- Oklahoma, one of the first states to offer universal preschool predominantly through school-based programming, saw a **43%** closure rate 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 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 expressed a need for more transparent and consistent funding support:

“I think sometimes as staff, we need somebody to go to to talk. Having this on our shoulders, trying to be an advocate to the child, you know, helping the parents, you know? The resources, and I just wish they would be up

front with us with the resources, and not dangle it in our face and snatch it back, or say no. I mean give us the opportunity to be able to maintain.”

“Don't give us a vision and not [support us to see it through]... Hear our voices, make sure we're taken care of as providers because we're providing for the next generation of leaders.”

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—providers 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 providers 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*.

Child care business owners voiced their concerns about the CACFP in the survey:

“I wish the Food Program would allow more dollars with food prices escalating by the week!”

“Food program should not change tier rates for providers if they are going to give free lunch to public schools for all.”

“Not have food program tier 1-2 everyone should qualify for the same reimbursement.”

“More money for Food Program (food is outrageous especially fruit).”

“The state funded food programs classify infants under 12 months where licensing says 18 months.”

This last comment points to another systemic issue prevalent in early childhood systems: the lack of consistent definitions for age groups (infants, toddlers, preschoolers, school-age children). These classifications affect what needs to be served to meet CACFP menu requirements and qualify for reimbursement. Conversations with those in the early childhood support system reveal that some child care providers are opting out of the Food Program due to its administrative burden and inadequate reimbursement.

The program also requires on-site visits, and one provider shared her experience of meeting a new program representative:

“I've had my food program lady the whole time, I've had my daycare, and I, just she just retired. And I got a new food program lady... I'm regretting opening the door when she comes, because she was just so...I didn't work on that Friday, [the first day she was meeting the new person]. And she was gonna come on that Friday. So it was just like she came here and she's like, you just look like you're agitated. I was like, I'm not upset at all, or mad. [and she says], well, you sure do look like it. And I was just like, Oh, my gosh! I'm not upset. I'm still trying to defend myself. But I'm not even upset... Strange thing to say to someone... I don't like conflict whatsoever. And it's just like that made me feel so weird to see her again, because I know how she came off to me. Do you know what I mean? And it was just like that was our first meeting ever. And I'm just like, what in the world this is, my lady now, you know?”

The power dynamic in these interactions is important to understand. The "food program lady" has the authority to decide whether the business owner is reimbursed for the food she purchases to feed the children in her care. Feeling threatened by being told she appeared agitated upon greeting, the business owner felt she needed to make a greater effort to win over this new representative, fearing she might be perceived as uncooperative.

Child Care Business Grants

Many child care business owners reported mixed experiences with grant funding:

“Yes, that [grant funding] has been huge for me. I've done the spring, summer grant, and fall. I think I had three, but they literally paid for my mortgage, you know, for my business to stay open [during COVID lockdown. So it has been a saving grace for me. It has been so helpful. you know. And even though I missed the other grants, like you know, they had been super helpful.”

About 65% of our survey respondents indicated they had received some form of grant funding. Feedback from child care business owners varied regarding the value of these grants, whether they were fairly administered, and if they genuinely supported quality child care.

“Funding [is the biggest barrier to opening]...I was fortunate enough to be able to save, a lot of people are not like me, you know, that can save up. And again I knew the business credit aspect of it--other people's money, but you have to be careful with that, because if you're not disciplined, you'll have a lot of debt...So you have to use wisdom, that is, using other people's money to build business cannot be something that you're careless with... And I think it was me being able to work those angles. My savings... and the grants that were given out helped tremendously. It wasn't a whole

lot, but the pre-licensure start-up [grant] was like \$10,000. My gate was \$5,000. My center was \$5000 to paint. But it helped.”

However, there were frustrations with some grant processes. One provider expressed:

“I got the pre-licensure grant and then I got the start-up grant and then IFF is where I’m like here [gestures to show significant frustration]. It was horrible. The tier one I applied for and everything I even applied for my home, but they cut everything off. They stopped it. So I said, well, you stopped it. I said. I came to upload my estimates for tier 2. It was totally stopped. And they said that they put it on pause. Got a call from one of my colleagues. She goes, ‘I got a link. They’re opening it up on November the sixth. It’s closing on the fifteenth.’ She sent me [a screenshot of the email] she had. And I go, ‘Well, can you send me a link?’ She said, ‘We can’t send out the link to anybody, cause it’ll track us.’”

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:

“And then the IFF Grant like it’s literally they want you to add a seventh kid! Before you would get written up, and you could lose your license for having that extra kid. And now they’re offering you 50,000 to have an extra kid, and the quality of care goes down tremendously. And I have 6 kids, and my kids are part timers. So I don’t ever have 6 kids in one day, because I know the quality of care goes down. I know this and they know it, too... And I’m happy. Those parents or those providers got money for that. But it’s like you really know, that the quality of care is going down, and they’re so big on quality of care. I don’t understand.”

“I recently did one [grant application], but I know I will not get it. Because they don’t offer, and I cannot think of what it is. It has to do? GSRP [state funded preschool]. Something. Yeah, they won’t allow homes to do it. It was based on that, although they said I was accepted cause it said, Are you

willing to? Yeah, yes, I'm willing to, but you have the stipulation that homes can't do it. It has to be a center. So I applied for it. But I'm thinking you're not gonna give it to me because you won't even allow that to happen in my child care setting."

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:

"So they had this new toddler thing that came out. The qualifications are that you had to have CDC [accept child care subsidy], you had to have infants and toddlers and so what I think is that [because of the system error] it said I was closed, so I didn't get the funding for my center cause they say I didn't qualify. I think they need to revisit that and give us our stuff because of the simple fact it said I was closed, so I didn't get the funding for my center cause. They say I didn't qualify. I think they need to revisit that..."

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:

"[If] they're only going to [address] wages for subsidy people, then what's the point? And I know the grants in the beginning for Great Start to Quality, like I lost \$3,000 because I let my star rating expire. So then I finally get my star rating back on. And then the grant was \$200 for Great Start to Quality. I was like, see how they do that? Like even Great Start to Quality is good, and I know they're awesome, too, and they wanna provide all the help they can. But that wasn't fair, either, honestly, and they can control that money, and I have no say. It's unfair for all these providers."

CDC Scholarship

Child care providers highlighted the need for changes to the Child Development and Care (CDC) Scholarship program to ensure reasonable access to funding:

"Increase hours for CDC subsidy payments, the highest they give is 45 hours a week... I have parents working 10-12 hour days and they have to come out of pocket for hours not covered."

"More money for DHS kids (parents who are on state child care assistance does not make enough to cover the extra tuition the state does not give). Example: [the] state pays \$200 a week but my fee is \$250 a week, [the]

parent will have to come up with \$50 extra a week for child care and they just don't have it."

"Providing single parents assistance regardless of their income."

Providers are calling for increased funding and more flexible hours to better support families who rely on the state assistance program, ensuring that the full cost of child care is covered and that parents are not left with expenses they cannot afford.

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 providers 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.

Problem Statement #2

Regulated Market Failure
<p>Child care business owners are unable to charge families the true cost of providing high-quality services, making it difficult to achieve sustainable or significant profit margins. This leads to record-low compensation for child care workers, talent shortages, high staff turnover, and ongoing closures of child care programs that exceed new openings.</p>
<ul style="list-style-type: none"> • Families are unable to pay the true cost of care • Staff cannot afford to remain in their roles due to low wages. • State, local, and program-level regulations (such as CACFP and CDC Scholarship) create a high administrative burden that is not adequately compensated. • State funding for preschool programs (i.e., GSRP) excludes home-based child care providers and unintentionally exacerbates the existing market failure through unbeatable public competition. • Child care business owners face systemwide mindset and value challenges.

Stuck at Home

Running a child care business from home presents unique complexities. While home-based providers face some of the same challenges as those working outside their homes, there are also distinct differences. These providers 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 providers also typically charge lower tuition rates than center-based care.

Notably, there is a noticeable lack of younger providers (ages 21-30) in home-based care, with only one respondent indicating they fell within that age group. Younger providers may struggle to take on this opportunity, as older providers are more likely to own homes and have spousal support to pursue their entrepreneurial journey.

When asked, "What are the top three things regional and state leaders could do to better support your work?", 75% of responses called for increased funding, reflecting a

widespread acknowledgment of the unfunded mandates in this highly regulated field. The second most common issue (cited by 36%) was the challenge of staffing child care businesses.

“You know that’s a tough one, because like when you work out of your home, you want to go home. I work out of my home, I don’t want to be home after work...”

“It’s literally a 10-12 hour day some days, you know? [I take] Friday off because I need it at this point in my life... I just feel like I’m slowing down. I’ve done it for 10 years. I’m in my fifties. I don’t need the extra [money to be open on Fridays]... So having that Friday off really helps. But I still find myself doing [work other than direct care on my days off], you know?”

“Even though I get off at 5:30pm, let’s say [I end up working till] 7:00pm. Then I got the weekend where I’m planning the meals. I have to go to the grocery store, figuring out the preschool program, you know, like, just kinda I like, what are we gonna do this week... But, no seriously, I don’t get any downtime on Saturday and Sunday. Because again, I gotta go to the grocery store, but if I have another assistant, if I had, you know enough to pay another assistant, I could do this stuff Monday, and have a weekend to myself.”

When asked if their child care business had caused stress for their family, providers shared the following:

“Well, it probably has, because I’m stressed out. And then I’m not that nice of a person. I can say yeah, in my marriage it did, because it just, there were so many, you know. I’m tense after work...”

“Yes! My husband tells me I don’t spend enough time with him. But listen, we’ve been together for almost 40 years. I’ve been married for 32 of those years. So what I started doing is getting up a little extra early [to make] sure he had breakfast. It can cause stress, because my mom calls me a micromanager. That’s fine, I said, but at the end of the day, this is my baby... And the only reason I micromanage certain people is because when I ask them to do one thing they don’t do it... If they don’t do it [then it] comes back on me.”

Home-based child care providers are often isolated by the nature of their work. There is a national understanding that these providers need connections with others who understand their experiences. The Family Child Care Network grant, intended to serve Macomb County, was not actively engaged in the Regional Planning Grant work and was not mentioned by child care businesses in surveys or interviews. However, home-

based business owners asked for this type of support, which could help reduce feelings of isolation, loneliness, and burnout.

“Having, like a provider support group like for all of us providers to like meet monthly somewhere and like cause a lot of the times you feel so isolated in this job you really do, and you lose friends because you just don’t do anything with them anymore, even though you love your friends... and I feel like I’ve like lost myself in this job a little, but like I feel like to have like minded people and to do things like to have a little support group that would be like a good thing that would help providers, and I’m sure I’m not the only one that feels alone in this.”

“Finding or networking with local caregivers would be wonderful.”

“And then that’s [a provider group] a good networking tool, too, because you sort of know the providers that you would like introduced to a family, you know? If you met somebody who you were like, ‘Oh, I really like their vibe.’ They see, like you would feel comfortable saying to a family, ‘Hey? Check out, Linda. She’s really great.’”

Ten additional home-based child care business owners engaged with the MC4 regarding business and technology support towards the end of the implementation period. When convened as a group, these home-based child care business owners reported forming their own social networks to escape the isolation of their career. After the implementation period ended, some participants expressed that they “already missed our weekly meetings”. Group business training around technology milestones doubled as positive peer learning and social networking experiences.

Home-based providers also expressed a desire for more support from the State, particularly regarding their exclusion from the Pre-K for All expansion.

“[The state should] think about implementing a new free program for infants, twos, & threes and offer services to ALL PROVIDERS. I feel like the free pre-k for 4 year olds were only meant for Center based facilities, it affected A LOT of in home providers income unfortunately.”

“Partner more with IN HOME PROVIDERS because a lot of parents prefer us over Center based facilities.”

“More help for home providers to pay a livable wage for employees.”

“The biggest challenge as a provider is staying afloat, making enough to keep serving the public. Most families in 2023 don’t make enough to afford child care but in the same token don’t qualify for public assistance. Most people are looking for GSRP programs and home based child care

programs can't do GSRP. That's why I would love funding to expand plus I have my Bachelors in early childhood."

These anecdotes help contextualize the reactions to and perceptions of State of Michigan funding opportunities and implementation designs. The State of Michigan's Pre-K For All Roadmap was launched with a goal for piloting program access to home-based child care businesses (MiLEAP, January 2024). However, as described earlier, the pilot goal was ultimately dropped and a vote had already taken place in the Michigan House of Representatives to remove requirements for ISDs to ensure funding reaches community-based organizations (Bill 5503 did not pass). The providers are not wrong to feel mistrustful given the outcomes of the funding communications and resulting implementation goals.

Problem Statement #3

Isolation of Home-based Child Care Business Owners

Home-based child care business owners are isolated from the community and have limited access to programs and services in their community, such as the technology and business support widely shared with other types of business.

- Community leaders and even public opinion tend to view home-based child care as "babysitting" rather than a legitimate business.
- Support services and programs are typically offered during hours when care is being provided, making them inaccessible to providers.
- State, local, and program-level regulations (such as CACFP) impose a high administrative burden that is not adequately compensated.
- State funding for preschool programs excludes home-based providers.

Entering the Field

We asked interviewees what advice they would give to someone considering opening a child care business or becoming a staff member.

"Don't do it. Don't do it. There's no. don't do it. It's the yeah. No."

"I would let them know how time consuming this job really is, you know. I think time is the hardest part of it, you know, cause it's still such long hours. even for me, even 8 to 5, but it's like you're [working] before and after. and the sanitizing of the toys like you don't realize how much you're going to clean. until you have a child care like--I used to have a housekeeper and a toy cleaner that would come in and just hand wipe toys

because it's just so overwhelming. But then I would let them know how much love and like how good it can be. You know there's so much love in this job."

"Go for it. The sky's the limit, and I think that if it's a passion of yours to do, nothing comes to a dreamer but a dream, and I would say, go for it. You only have one life and make it great. You know what I'm saying. All things are possible to them that believe. If you believe in yourself, or you can do one of two things, you can fail or you could succeed."

The above anecdotes exemplify three significant perspectives from the field: 1) mistrust of the field and skepticism of current and future opportunities; 2) extreme dedication to human service; and 3) passion for the work and hope for the field.

Businesses and Employers

We gathered business perspectives through 57 responses collected from the MC4 survey. The Macomb County Planning and Economic Development (MC-PED) led the marketing and engagement efforts to reach local businesses, aiming to shape policy recommendations that align with business and workforce needs. The survey specifically addressed the impact of child care on employee recruitment, retention, reliability, and overall productivity. Business leaders were also asked about their current practices and what policies and resources are needed to support both businesses and employees.

Of the business survey respondents, 32% identified as an employee subgroup (n = 19), while 68% identified as owners or executives (n = 18) and human resource managers (n = 20). The responses represented various industries, with a notable concentration in manufacturing (n = 16), government (n = 15), and healthcare (n = 9).

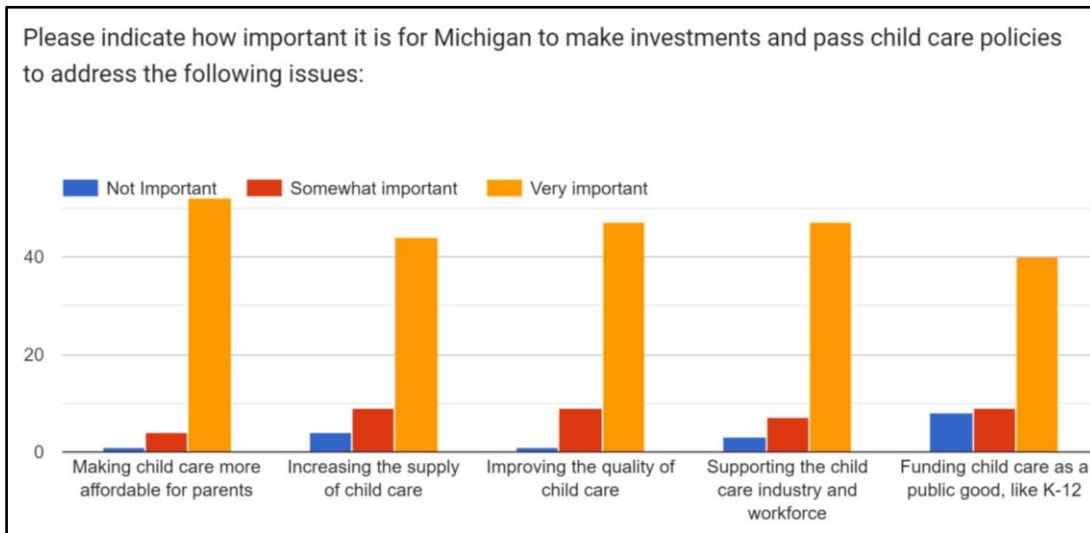
Employers acknowledged their awareness of employees' struggles with child care and agreed that these challenges impact their bottom line. However, only one business representative consistently participated in the child care coalition's work, representing employers outside the child care sector. Notably, the survey received the smallest response from business leaders, despite being distributed through known communication channels, partners, and social media.

Key findings from the survey include:

- 86% report that child care availability impacts recruitment and staff retention.
- Most agree that Michigan needs to make policy changes to address the crisis in Macomb.

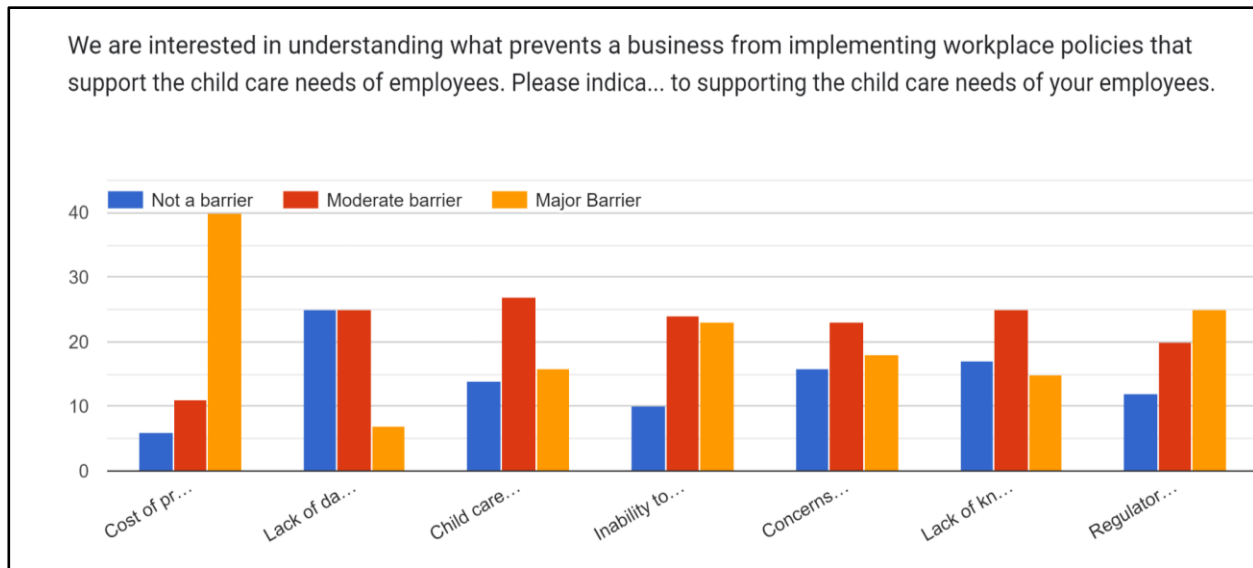
Business survey responses (n = 57) overwhelmingly agreed that the following five public policy issues related to child care infrastructure investments are "Very Important":

- **91% Make child care more affordable for parents.**
- **61% Increase the supply of child care.**
- **83% Improve the quality of the child care supply.**
- **83% Support the child care industry and workforce.**
- **70% Fund child care as a public good, like K-12.**



Despite this agreement, when asked about barriers preventing the implementation of workplace policies to support child care, the responses were more varied:

- 70% saw the **cost of providing child care support** as a **major barrier**
- 19% saw the **cost of providing child care support** as a moderate barrier
- 44% perceived **regulatory or compliance issues** as a **major barrier**
- 35% perceived **regulatory or compliance issues** as a moderate barrier
- 82% regarded **inability to offer a flexible work schedule** as either a major or moderate barrier (40% and 42%, respectively)
- 75% regarded **providing child care benefits to some employees** as either a major or moderate barrier (28% and 47%, respectively)
- 72% described **concerns about liabilities for employer-sponsored child care** as a major or moderate barrier (32% and 40%, respectively)
- 70% saw **gaps in knowledge and technical assistance regarding child care options** as a moderate or major barrier (26% and 44%, respectively)
- 56% described the **lack of data or information about employee child care needs** as a moderate barrier or major barrier (12% and 44%, respectively)



Overall, the cost of providing child care benefits was consistently reported as the most significant barrier. While this is a common issue across the state, there is a question of whether employers have considered the costs of not offering these benefits to their employees.

According to the [The Cost of Doing Nothing \(2023 Update\)](#) report from the Department of Labor, “if workforce participation among women in the US matched that of Germany and Canada there would roughly 5 million more women in the workforce...[translating] into more than \$775 billion in additional economic activity per year.”

The finding that 70% of respondents reported lack of knowledge or technical assistance is a moderate or major barrier to implementation of different policies led Macomb County Planning and Economic Development (MC-PED) to host two business leader engagement events. Marketed as opportunities to learn about how to support workforce development through supporting child care, a good amount of businesses registered to attend the April Business Leader Roundtable Event in Macomb however only 12 attended. None have taken up the offer of free consultation and data analysis about their workforces’ child care experiences.

There was no data collected on what barriers employers face in seeking and utilizing technical assistance in Macomb County. This information could help identify ways to offer more effective consultation and support, and highlight employers who might become champions for improving child care policies.

Recruiting business leaders and municipalities to participate in the coalition was challenging. The most consistent business participant was responsible for talent acquisition at McLaren Health Care. As a mother using child care and a recruiter who regularly faces challenges due to child care shortages, she recognized that Macomb's child care infrastructure (and Michigan's, broadly) is insufficient. However, she frequently had to leave early or arrive late due to other obligations.

Child Care as Essential Infrastructure

Until child care is recognized and funded as essential infrastructure—whether through universal child care in publicly run facilities or through a diverse range of child care options (such as center-based, home-based, nanny, and public schools) that cater to different family needs and preferences—Michigan will continue to have a child care sector that cannot meet demand. In Macomb County, coalition members across various sectors agree that change is necessary, but questions remain about who is responsible for funding these changes and who will ensure equitable implementation of new policies.

There have been efforts, such as the [Pre-K For All Roadmap](#), which explores how to introduce universal Pre-K in Michigan in a way that does not harm home-based child care businesses and gives families more choice in preschool options. This approach seeks to leverage current political momentum in the State's House and Senate. However, the roadmap is only a recommendation; the actual authority lies with policymakers and those who control funding.

Some survey responses reflected concerns and suggestions regarding child care:

“Consistency as well as times daycare is available. Ex: 6pm is not late enough for some staff members.”

“Why can't people on Medicaid or Family Assistance be required to work at daycares? With NO pay! They are already getting plenty of assistance!! Same with women who have been charged with white collar crimes. Instead of putting them in jail, put them to work!!!”

Problem Statement #4

Child Care Is Not Seen as Essential Infrastructure

Current approaches to economic development fail to recognize child care as critical community infrastructure necessary for all businesses to succeed. Business leaders do not see their role in helping employees secure child care, nor do they realize the influence they could have in advocating for policy and funding changes.

- Child care business owners are not viewed as sole proprietors or entrepreneurs.
- Grants aimed at supporting women, racial minorities, or other groups represented in child care are not effectively communicated to child care business owners.
- Economic developers do not consider child care as part of essential infrastructure.
- Employers tend to believe that finding solutions for child care is the responsibility of families and the State.
- Employers do not collect data to understand how child care affects staff retention, absenteeism, and turnover.

Municipal Regulation Challenges

Child care business owners also face numerous hurdles due to municipal regulations. As one provider explained:

“[The current barrier to expanding my business] is finding a single standing building (finding real estate) that has a playground area (grassy area) and all of the different ordinances that each city/suburb has in order to start a childcare. Each city/suburb is different and the ordinances are adjuncts to the state requirements and it is very challenging to get everything right in a timely manner. Some ordinances, fees, etc, are unexpected and so you cannot truly count the cost of everything.”

Michigan is a "local control" state, allowing municipalities to add additional regulatory requirements, safeguards, and fees to the process of opening and operating child care businesses. For example, in Sterling Heights, it costs \$670 just to ask the zoning board for permission to expand from a family home to a group home. While this fee might seem reasonable out of context, as previously outlined, it is often a significant barrier for home-based child care owners, and costs are even higher for child care centers.

Many municipalities impose strict standards on things like fencing (height, material, color), and there are often fees associated with obtaining approval for these additions. In many communities, family and group homes are also prohibited from displaying signs advertising their businesses or must pay a fee to do so. One provider shared their experience:

“I didn't really like [city name], I had a sign [advertising my child care]. It's a temporary sign and I just found this out, I got a letter, I got a warning. I didn't even know that you couldn't [have a sign]. You can have a temporary sign, it can be out for 60 days. But then you have to apply to get a permit to get it. And I'm like, even if it's on my property? And you know, I got the letter one day on that same day my signs were out of my yard.”

Some local regulations make it extremely difficult to open or expand a child care center. For example, state regulations require that a child care center have at least 1,200 square feet of outdoor play space, or 75 square feet per child. However, cities like Sterling Heights and St. Clair Shores have stricter rules that require a child care center to have at least 5,000 square feet of outdoor play space, which is much larger than the state minimum. The following quote is from a center-based program lead describing local municipal code as a key pitfall when expanding:

“Code enforcement. It took me 22 months to open the center I am in. When inspections were done I would get a list of repairs, when they came to inspect / approve those they would give another list of items to repair but those items were already there. This happened three times. I also had to go in front of the zoning board 3 times. Money for the rent, utilities and upgrades while the changes to the building are being made.”

In St. Clair Shores it is required that there is 150 square feet of outdoor space per child (900 square feet if serving six children) in care in a licensed child care home. In comparison the State requires a total of 400 square feet for the same number of children. These local requirements can make it harder for child care businesses to find suitable locations or to afford the necessary property. As described by a city planner, public parks in these cities are designated as “resident only,” which means that child care businesses cannot use them for outdoor play unless the children live in the neighborhood, adding another layer of difficulty.

Municipalities, especially those in communities that rely on volunteers, are systems that allow mindsets, values, and beliefs to have significant influence. People's individual beliefs not only influence but can decide whether or not a child care business is allowed to open or expand. For example, planning commission members who believe that child care centers create noise or that families should manage their own child care without external help can block the opening of these essential businesses. Such mindsets rest on [outdated assumptions such as grandparents actually being available to offer child](#)

[care](#).²⁴ Therefore, a much needed child care business that creates essential child care infrastructure, workforce benefits, and improved child outcomes can be destroyed before it even starts. One provider recounted their struggle:

“A while ago, when licensing once again changed their rules, we had to go in front [of the city]. We were already [operating] childcare. Yeah, the [city planning department] saw an opportunity to write an ordinance. But there was a group of us [that] had to go through planning when they were writing the ordinance. We [approached] the city council to say, ‘Hey, we think planning is asking too much. They wanted us to... have everything redone in our homes, and it would have cost us like \$50,000. They wanted us to have privacy fences... The city saw an opportunity to make us pull permits to do this to do that, and we fought it. Luckily we won, but I also had a [relative] on city council at the time, so that helped. Yeah, I’m not afraid to pull somebody in... I know the [name of city] is not giving out group licenses, they grandfathered us in. Well, a lot of cities in Macomb County that cannot get group licenses and that’s why they’re charging \$300 a child... We were even threatened by the city with cease and desist orders. Yeah, it did not happen. [It was like]: stop working so that people can’t go to work until we can figure out an ordinance.”

Community Influence and Public Perception

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. A provider explained the difficulty of navigating this environment:

“[The city] approves only so many family-to-group home [expansions]. [It’s] hard to get approved, [and there is a] high application fee to file to become a group home.”

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 leads 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.

Problem Statement #5

Municipal Regulations Hinder Child Care Businesses

Municipalities create burdensome and costly regulations and zoning ordinances that prevent child care businesses from expanding, opening and thriving.

Key challenges include:

- Lack of awareness among municipal leaders about impact of ordinances on child care businesses
- Prevailing mindsets and values that do not support child care business growth.
- Insufficient recognition of the value and necessity of child care services among city commissioners and planning commission members.

Problem Statement #6

Interlocking Policies Prevent Child Care Access and Expansion

Policy is set by those who have power frequently without consulting those directly impacted by the policies.

- “Welfare” is perceived negatively by society, communities and families
- Childrens’ access to supports is based on their parent’s income or experience
- There is limited fiscal support available to high regulated child care businesses
- Lack of awareness of the value and necessity of child care businesses among city commissioners/planning commission members

Charting a Course for Action

Root Cause Analysis

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 themed to clarify **who it was happening to** and **what type of problem it was**. In other words, they identified specific stakeholder groups and specific problems they experience or report.

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

- Child care costs so much that child care workers cannot afford it and child care businesses either cannot or can barely afford to offer child care as a benefit.
- Child care workers do not always have child care themselves which impacts availability of the ECE workforce and reduces functional capacity and access.
- CDC Subsidy does not reimburse for a livable wage let alone any benefits.

These insight statements were used to create “How Might We Questions.” To continue the example above:

- How might we support child care workers to stay in the field?
- How might we support child care businesses to stay open?

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, presented in the following figures.

Retaining and Recruiting High Quality Staff for ECE Implementation Strategy Menu

Workforce Benefits & Compensation

Improve benefit packages for full-time and part-time staff (e.g. health, vision, dental, retirement) including child care support, paid leave, paid breaks for staff, and paid planning time for lead teachers.

Develop incentives (e.g., financial, benefits) for staff to remain in the field or in a position for a certain duration (e.g. 1 year, 5 years, 10 years).

Develop incentives (e.g., financial, benefits) for staff to complete additional training hours or specialized trainings (e.g., mental health first aid).

Incentivize ECE career lattice opportunities through better alignment, networking, and messaging, starting with high schools (ECE job shadowing and internships; CTE programs, Pre-Apprenticeships, and Registered Apprenticeship Programs), MIWorks! (Registered Apprenticeship Programs), and Dept of LEO (Going Pro Talent Fund; can be braided with RAPs).

Business Management Support

Develop trainings to support business owners with accounting, taxes, grant and program opportunities, as well as navigating policies, regulations, and required systems.

Develop guidance for common business cases: staggering ratios to ensure staff breaks and/or increase duration of breaks; establish job sharing with staff to improve flexibility of scheduling; offer job shadowing to improve talent/workforce pipeline to ECE settings; offer High School credit hours for student internships.

Public Programs & Systems

Increase public investment in ECE infrastructure and require that funds support families with children of all ages (i.e., never prioritize funds for one age group to the detriment of another).

Increase CDC Scholarship reimbursements regardless of quality level within Great Start to Quality while simultaneously increasing eligibility and reliability of services for qualifying families.

Fund ECE Business Navigators to help employers and employees navigate and connect with existing benefits, programs, and funding opportunities.

Offer transportation assistance for child care employees (akin to the existing MDHHS benefit for eligible families; see the recent set precedent to categorically share CDC Scholarships with child care workers).

Loan forgiveness, tuition reimbursement, and/or scholarship opportunities for those in the field and those interested/entering the field.

Develop more training opportunities that offer increased variety of times, content, levels of expertise, and relevant specialties (e.g., mental health first aid).

Supporting Families to Find and Secure Child Care and Early Learning Experiences Implementation Strategy Menu

Improve Access to Public Data

Develop a data product (e.g., a portal or interactive tool) that makes existing public program data more accessible (i.e., GSQ & LARA) while adding timely information related to openings, waitlists, and specialties not available elsewhere (e.g., updated lists of providers with non-traditional hours).

Reinstate a centralized child care resource and referral process based on the 4C model to provide support, partnership, and needed guidance to parents, families, and providers as they navigate the challenges of the child care system--predominantly finding available and appropriate child care.

Map the current referral systems that families can access to learn about child care options (e.g., Help Me Grow Hotline, 211, GSQ, Great Start Collaborative) to ensure the right partners are present as well as to support clear messaging of where to go when a family needs 1:1 help versus access to a list/map of options (deduplicate efforts and improve efficiency and effectiveness of triaging and referrals).

Develop More Partnerships

Find an organizational home to host a calendar of shared local activities for all ages of children where community partners can submit events for families to find.

Partner with Mount Clemens Public Library to document their successful model that offers no cost, out-of-school time care between the time that school releases children and parents get out of work. Promote similar opportunities with other municipal libraries by sharing the model and positive social impact.

Explore incentivizing creation of specialized centers for the purpose of non-traditional work shift care needs.

Leverage existing partnerships and coalition members to identify agency leads and long term participation in the ongoing cross-sector solutions to this complex problem.

Business Community Engagement Implementation Strategies

Direct Business Engagement

Host a county-wide CEO event, in partnership with local municipalities, to help large employers understand both the ECE landscape and opportunities relevant to their needs (e.g., talent and workforce, Tri-Share).

Host a county-wide small business event, in partnership with local municipalities, to help small and medium sized employers understand both the ECE landscape and opportunities relevant to their needs (e.g., talent and workforce, Tri-Share).

Collaborate with industries like real estate and tax advising to support understanding of ECE landscape and business opportunities with warm referrals to partners and providers.

Facilitate B2B Opportunities

Host one or more Business-2-Business events, in partnership with local municipalities, to facilitate understanding of shared opportunities for employers to network and partner with child care businesses.

Proposed B2B Strategy: Employers could implement a relatively low cost back-up care benefit to cover, for example, up to 45 days of child care in the event of a new hire needing temporary support (e.g., seeking permanent placement for child or waiting for CDC subsidy approval if eligible) or when an existing employee would otherwise not be able to work due to disruption of child care arrangements. Partnerships with child care providers could ensure access for employees by contracting and paying for slots.

Proposed B2B Strategy: Employers with brick-and-mortar facilities where employees work might partner with providers to provide on-site child care services (needs business liability coverage; no child care license necessary).

Marketing and Messaging Campaign for Targeted Audiences with Effective Messengers Implementation Strategy Menu

Community Engagement Pilots

Support Sterling Heights, a location current working on their master plan, as a case study for municipal messaging (e.g., SUPs invite complaints but fail to offer data and context such as existing child care desert maps to help neighbors understand the broader picture). This is an opportunity to engage with community members to both solicit feedback and request changes to municipal code regarding the prioritization of access to child care options for families.

Leverage Macomb County's [PlacerAi](#) subscription to compare actual traffic patterns related to child care businesses versus schools and other businesses required to use Special Use Permitting procedures to open and operate (e.g., dispensaries, fast food, liquor stores, tattoo parlors, etc.).

Families need to know how to access the developed resources. Ensure materials created for families are provided TO families from trusted sources. (e.g. pediatricians, libraries, community leaders)

Share a policy guide for municipalities on how to safely decrease restrictions on childcare.

Encourage and support municipalities to lead by example through open exploration of child care solutions for municipal employees. Could essential services like police and fire even function without child care solutions? Essential workers are "essential" for much that we take for granted on a daily basis. Effective and public educational events addressing the essential needs of essential workers could offer significant opportunities for community change if hosted by trusted partners (e.g. the City, Library, Police & Emergency Services, etc.).

Create a public awareness campaign of the value of child care, regardless of whether you have children or not. Use accessible language and avoid jargon (e.g., 8th grade reading level). Leverage social media, regional coalitions, and partnerships for wide and trusted messaging. Partner with [Metroparent](#) and [Metroguide](#) to help disseminate information outside of traditional networks.

Policy Advocacy

State-Level Policy Issues

Michigan should provide municipalities with unified or consistent guidance to streamline required processes for child care businesses (e.g., zoning, licensing, code, inspections, etc.).

Update the Michigan Building Code to be more friendly to child care businesses.

Macomb county, in partnership with municipalities, could form a [taskforce](#) to address the needs of families and providers--culminating in state-level advocacy efforts.

Municipal-Level Policy Issues

Provide policy zoning templates to municipalities (e.g., from McKenna and associates) to help them create more friendly conditions for child care businesses. Reduce incidents of child care providers losing grants/funding due to zoning and code enforcement delays.

Business Supports

Ensure LARA and other agencies (e.g., BFS) have sufficient staff to serve providers in a timely manner.

Reduce the employer copay for TEACH to 5% or below.

Offer tax incentives for child care businesses and workers.

Expand access and eligibility to programs like Tri-Share, stabilization grants, start-up and expansion grants. Also ensure that certain groups receive access to wider funding opportunities (e.g., ensure home providers are informed of housing improvement opportunities such as USDA rural funding programs).

Essential services like child care should be funded adequately to permit them to compete with common employers of unskilled labor like fast food and department stores without having to jump through hoops or be outcompeted by public options like GSRP. Child care roles outside of GSRP should, arguably, be prioritized for wage increases due to the existing wage disparities that inevitably result in ISD-led GSRP programs poaching lead teachers from lower revenue, private businesses.

CDC Scholarship

Raise reimbursement rates to achieve compensation parity with GSRP programs; thereby ensuring all programs can achieve high quality, fair compensation, and all age groups are equitably benefited.

Update eligibility to be more accessible like GSRP (e.g., remove work requirements because child care is a pre-requisite for employability). This is particularly important for first time parents and single-parent households.

Reduce child care business burdens to participate

Great Start Readiness Program

GSRP expansion is a simple solution to a complex problem; we need to be more strategic in our use of data to reduce waste and improve ROI with ECE investments. GSRP is disadvantaging the families that need infant, toddler, and school-age care.

Entire state departments are failing to take advantage of opportunities while competing for funding priorities: Why don't we mandate the co-location of GSRP expansion and MSHDA workforce housing projects? Housing without child care solves nothing for families. "Affordable" rent at 7% of Area Median Income is still unaffordable when we fail to account for the fact that child care for a single infant is 20+% of the same AMI--3x what is deemed affordable.

Reevaluate the overall requirement that 30% of GSRP programs be community based organizations (CBOs). Why don't all ISDs achieve this metric? Why was this metric set so low which ensures the vast majority of funding defaults to ISDs?

Reconsider GSRP home-visiting requirements due to safety concerns and chronic understaffing at agencies.

Strategizing for Action

From the wealth of possibilities collected during the root cause analysis, the group made the challenging decisions to select a few strategies that best aligned with the issues facing Macomb County and the implementation guidance put forth by ECIC:

- Is there **Motivation** to implement or benefit from this strategy?
- Is there **Ability** to implement this strategy?
- Is there **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.

Key Action Strategy #1: Develop a Referral Tool for Families

Objective: Create a tool to help families in Macomb County find child care and early learning programs that meet their needs.

Target Problem Statement(s): Problem Statement #1 - child care is unavailable and inaccessible to families.

Timeline: March 2024 - June 2024

Potential Partners: Great Start to Quality, Great Start Collaborative and Family Coalition representatives, Macomb Intermediate School District, 211 representatives.

Rationale: The landscape analysis indicated that families struggle to find child care options outside of word of mouth and virtual platforms like Facebook and Google. A visual representation of the current organizations and resources could be shared with employers, workforce development organizations, municipalities, families, and agencies to increase access to child care options. Coalition members were impressed by the individualized support previously offered by the now-defunct 4Cs program and want to provide similar resources.

Desired Outcome: To create a tool that can be used by community partners, municipalities, employers, and families to raise awareness of and increase access to child care options in their communities.

Success Enabling Factors:

- **Motivation for Action:** There is a strong understanding of the need for this tool, with commitment from stakeholders, including early childhood partners, municipalities, and a major employer. The local affiliate of HelpMeGrow has agreed to promote the hotline to assist families in finding child care and coordinating other services.
- **Ability to Implement:** D3 has access to system mapping tools and can create different versions of the tool tailored to various users.

Metrics:

- Number of searches on Great Start to Quality from Macomb County IP addresses.
- Number of calls to the Help Me Grow Hotline indicating referrals from municipal websites, employers, or other entities.

Implementation Narrative: Data-Driven Decisions developed multiple mapping and visualization tools for the MC4 to support ongoing research efforts with accessible views of public data. Here are links to the relevant tools:

- [Macomb County Child Care \(& The Healthcare Hub\)](#)
- [Business Leader Round Table \(& Sterling Heights Example\)](#)
- [CDC Scholarship: Program Utilization from 2009 to 2024](#)

Key Action Strategy #2: Create a Handbook for Municipalities to Support Child Care Businesses

Objective: Develop a guide to help municipalities better support child care businesses.

Target Problem Statement(s):

- Problem Statement #1 - child care is unavailable and inaccessible to families.
- Problem Statement #2 - the regulated market failure.

Timeline: March 2024 - August 2024

Potential Partners: City, township, and village planners, McKenna and Associates, child care business owners, county-level municipal representatives, parent representatives.

Rationale: Municipal regulations often duplicate state-level child care licensing requirements, creating unnecessary burdens for child care businesses. Macomb County has some of the strictest zoning ordinances in the state, which hinder expansion. Engaging city and village planners revealed that municipalities often do not understand how their zoning policies impact child care businesses and families. A guide for municipalities will raise awareness of these challenges and provide actionable support.

The guide will include a mapped referral system for families seeking early care and education options, encouraging municipalities to share this tool on their websites and through social media. It will build on McKenna and Associates' evaluation and insights from coalition members to shift policies and mindsets affecting child care.

Desired Outcome: Municipalities gain information and tools to modify codes, zoning, communications, and operations, making it easier for child care businesses to thrive. The guide aims to become a state-wide resource, advertised by municipal-supporting organizations in Michigan.

Success Enabling Factors:

- **Motivation for Action:** Coalition members from municipalities strongly support the guide and have participated actively in meetings and interviews to understand child care business needs.
- **Ability to Implement:** McKenna Associates' comprehensive evaluation provides ample data to create a clear, actionable guide.

Metrics:

- Completion and distribution of the guide's first version to municipal partners and regional child care coalitions for feedback.
- Updated versions reflecting feedback from municipal partners and coalitions.
- Reports from municipalities on the usage and impact of the guide.
- Hosting of the guide on trusted municipal partner websites.
- Align municipal code with state-level code and regulations.
- Municipalities explicitly identify child care infrastructure in Master Plans.
- Municipalities enact policy and practice reforms to support local child care.

Implementation Narrative: The Macomb County Child Care Coalition developed the set of policy recommendations described in Appendix 2. Below is a critical example of partner advocacy materials that supported MC4 policy recommendations.

Key Action Strategy #3: Provide Technology Support to Child Care Business Owners

Objective: Help child care business owners utilize technology like child care management software (CCMS) to improve operational efficiency and reduce administrative burdens.

Target Problem Statement(s):

- Problem Statement #1 - Child care is unavailable and inaccessible to families.
- Problem Statement #2 - The regulated market failure.
- Problem Statement #3 - Isolation of Home-based Child Care Business Owners.

Timeline: May 2024 - Ongoing

Potential Partners: Macomb Economic Development and Planning, Data-Driven Decisions L3C, Chambers of Commerce, Great Start to Quality Resource Center, Leaps and Bounds, Small Business Development Entities, Velocity Center, sector-specific organizations.

Rationale: Child care administrators often work over 50 hours per week but earn relatively low wages compared to other sectors. Even before the pandemic, child care typically had a 1% profit margin (Federal Reserve Bank of Minneapolis, 2011). Business owners need support to streamline their operations and improve their quality of life by enhancing efficiency.

Desired Outcome: Home-based child care business owners increase their operational efficiency, financial sustainability, and quality of life by implementing child care management software solutions while learning together with peers in a cohort model.

Success Enabling Factors:

- **Motivation for Action:** Child care business owners report a high level of interest and need related to business technology support.
- **Ability to Implement:** Child care management software companies are willing to support cohort approaches to software implementation.

Metrics:

- The number of home-based child care owners who receive pre-requisite equipment (e.g., laptops).
- The number of home-based child care owners who implement child care management software.
- Feedback from home-based participants in the child care technology accelerator.
- Child care business owner follow-up regarding number of hours worked per week following the implementation of software automations (e.g., billing).

Implementation Narrative: The Macomb County Child Care Business Tech Accelerator Cohort made significant progress during the initial five-week pilot phase, highlighting the dedication of local home-based child care providers. The pilot delivered essential training, technical support, coaching, and consulting to a cohort of 10 in-home child care providers. The primary focus was on improving business practices, enhancing technological skills, and providing tools to streamline administrative tasks, allowing providers to focus more on child-centered learning.

Cohort members participated in two virtual training sessions each week, with each session lasting two hours. Additionally, three in-person meetings addressed specific provider needs, covered requested content, and facilitated peer-to-peer learning. Training on child care management software, such as Brightwheel, as well as prerequisite computer equipment were key components to help reduce administrative burden while improving efficiency. This hands-on, hybrid approach promoted a sense of motivation, empowerment, and community, with sustainability as a long-term goal.

Moving forward, the program aims to expand by offering MiRegistry credit for training sessions, helping providers meet Michigan's 24-hour annual training requirement and encouraging greater participation. Future plans also include recorded training for self-paced learning, office hours for drop-in support, one-on-one consultations, connections to business professionals, and access to permanent resource-sharing platforms.

Peer-to-peer learning opportunities will continue with a more structured and consistent schedule, addressing the need for a supportive community among child care providers. Regular in-person events will provide a stable environment for collaboration and knowledge-sharing.

As the initiative grows, the goal remains to address the challenges that in-home child care providers face—limited resources, overwork, and the need to separate business from personal life. By providing ongoing support, these providers can thrive not only as business owners but also as leaders in their communities.

Key Action Strategy #4: Develop Policy Recommendations Centered on Child Care as Essential Infrastructure

Objective: Create policy recommendations for various stakeholders (e.g., ECIC, legislators, business leaders, municipal leaders) that position child care as an essential service and provide strategies to help child care businesses flourish.

Target Problem Statement(s):

- Problem Statement #1 - Child Care is Unavailable and Inaccessible to Families.
- Problem Statement #2 - The Regulated Market Failure.
- Problem Statement #3 - Isolation of Home-based Child Care Business Owners.
- Problem Statement #4 - Child Care Is Not Seen as Essential Infrastructure.
- Problem Statement #5 - Municipal Regulations Hinder Child Care Businesses
- Problem Statement #6 - Interlocking Policies Prevent Child Care Access and Expansion

Timeline: April 2024 - Ongoing

Potential Partners: MiLEAP, LARA, Legislators, Senators, Michigan's Children, MIAEYC Advocacy Committee, ThinkBabies Michigan, ECIC, Policy Think Tanks, Economic Development Organizations, local government, child care business owners, families, community members, the Great Start System, ECSNs, Pulse, Vibrant Futures, Child Care Network, First Steps Kent, Bethany Christian Services, FCCN grantees, regional planning grantees.

Rationale: Without policy changes in funding and in the mindsets of those responsible for implementing these policies, efforts to support the child care landscape will be ineffective.

Desired Outcome: Achieve comprehensive policy changes that establish a robust child care sector recognized and funded as essential infrastructure.

Success Enabling Factors:

- **Motivation for Action:** There is cross-sector support for policy changes as a foundation for further reforms. Coalition members found advocacy training to be informational and empowering.
- **Ability to Implement:** Growing national awareness of the failing child care infrastructure provides momentum for change, as seen in states like Vermont, which recently expanded access to state funding for child care businesses.

Implementation Narrative: The Macomb County Child Care Coalition developed the set of policy recommendations described in Appendix 2. Below is a critical example of partner advocacy materials that supported MC4 policy recommendations.



Yet professional development investments are lost as long as poverty-level wages keep driving qualified teachers out of the field.



Over half of child care worker families and 43 percent of preschool and kindergarten teacher families rely on public income supports (like food stamps and the Earned Income Tax Credit) just to make ends meet.⁵



A bachelor's degree in early childhood education is the college major with the lowest projected lifetime earnings.⁶ In fact, most early childhood educators with bachelor's degrees earn less than \$15/hour.⁷



As a consequence, children lack qualified teachers and stable learning environments. Efforts to expand access suffer as the educator shortage intensifies.

**THE SOLUTION?
FIX THE LEAK!**

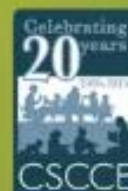
Increase compensation through public investment to keep early educators in the field.

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Conclusion

The Macomb County Child Care Planning Grant initiative revealed significant gaps in child care access, affordability, and quality across the region. Despite being critical to the local economy, child care remains underfunded and overregulated, leading to a shortage of providers, especially during non-traditional hours. Families struggle to find reliable and affordable care, while child care businesses face unsustainable operational costs, staffing shortages, and complex regulatory requirements.

By fostering cross-sector collaboration, the Macomb County Child Care Coalition (MC4) developed strategic recommendations to address these challenges.

Key Findings

- **Insufficient Child Care Supply:** The county's current child care supply is inadequate to meet demand, especially for non-traditional hours. Municipal regulations, state policies, and high operational costs limit the ability of child care businesses to expand.
- **Barriers to Child Care Access:** Families struggle to find affordable, quality child care due to regulatory burdens, lack of flexible scheduling, and insufficient public funding. The complexity of navigating the child care system and the limited availability of up-to-date information exacerbate these challenges.
- **Inadequate Funding and Support:** child care businesses face low reimbursement rates, high administrative burdens, and inconsistent funding, which limits their ability to sustain operations or compete with expanding government solutions like the Great Start Readiness Program (GSRP), managed and predominantly run by Intermediate School Districts. Programs like the Child and Adult Care Food Program (CACFP) and the Child Development and Care (CDC) Scholarship are underfunded and overly bureaucratic, reducing their utilization and ultimate effectiveness.
- **Workforce Challenges:** Staffing shortages, low wages, and high turnover rates in child care settings undermine service quality and availability. Many child care workers earn below the living wage, and the sector faces difficulties in attracting and retaining qualified staff. Unintentionally competition from expanding government programs like GSRP sometimes results in cascading damages to local child care access for all age groups.
- **Regulatory and Policy Barriers:** Complex and overlapping municipal and state regulations create significant obstacles for child care businesses. Local zoning laws, licensing requirements, and inspection protocols are often duplicative, inconsistent, and costly to comply with.

- **Lack of Recognition of Child Care as Infrastructure:** Child care is not widely recognized as essential infrastructure, leading to a lack of investment and policy support. This gap in understanding affects both public and private sector engagement in addressing the child care crisis because it's everyone's problem whereas infrastructure is in everyone's interest.

Strategic Recommendations

To address the identified gaps and challenges, the coalition proposes several key strategies:

- **Develop a Child Care Referral Tool:** Create a tool to help families in Macomb County find child care that meets their needs. This tool should be widely disseminated and supported by community partners to improve access to information.
- **Create a Municipal Handbook:** Develop a guide to support municipalities in understanding the needs of child care businesses and aligning local policies with state regulations. This handbook will provide practical advice and tools to encourage child care expansion.
- **Help the Industry Leverage Child Care Management Software:** Support child care businesses in adopting management software to streamline operations, reduce administrative burdens, and improve efficiency.
- **Advocate for Policy Change:** Collaborate with key stakeholders to promote policy changes that recognize child care as essential infrastructure and provide the necessary funding and support to child care businesses.
- **Expand Funding and Reimbursement Programs:** Increase funding for programs like the CDC Scholarship and CACFP to ensure fair compensation for providers and expand access to affordable child care options for families.

Moving forward, the implementation of these strategies will require sustained commitment from stakeholders at all levels. Continued collaboration and investment are essential to ensuring that Macomb County's child care ecosystem can meet the needs of families, employers, and the broader community. By addressing the underlying issues, Macomb County can create a more equitable, sustainable, and high-quality child care system that benefits all residents.

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Appendices

Appendix #1: Coalition Roster

Child Care Businesses (12 Members)

- Above and Beyond Learning
- Academy 4 Lil' Angels
- Baby University
- Boss Baby Early Learning
- Positive Impressions Childcare
- Tada Childcare
- Teddy Bear Child Care
- The Goddard Schools
- Tina Barnett's Daycare
- Additional Home-Based Child Care (3 members)

Economic and Workforce Development Organizations (9 Members)

- Macomb County Planning and Economic Development (4 members)
- Macomb County Chamber - President/CEO
- Macomb/St. Clair Workforce Development Board
- Michigan Works! (3 members)

County Government (9 Members)

- Macomb Community Action Agency
- Macomb County Government
- Macomb County Health & Community Services
- Macomb County Intermediate School District (6 members)

Early Childhood Systems (7 Members)

- Great Start Parent Coalition (2 members)
- Great Start to Quality
- Head Start Policy Council
- Leap and Bounds
- Prior 4Cs Representatives (2 members)

Employers (7 Members)

- Ascension Michigan Metro East Region (3 members)
- McLaren Health Care
- Medstar
- Quality Care Rehab & Autism Center
- Bridgewater Interiors

Municipalities (6 Members)

- City of Eastpointe Economic Development
- City of Richmond Planning
- City of Warren
- Harrison Township
- City of Roseville
- City of Sterling Heights

Parents (4 Members)

- Parent Only - no other stakeholder affiliations reported (4 members)
- Note that numerous other members also reported being parents

Higher Education (2 Members)

- Macomb Community College
- MSU Extension

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.

This project is supported by funding provided from the Michigan Department of Lifelong Education, Advancement and Potential (MiLEAP) utilizing American Rescue Plan Act (ARPA) funding, from the Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services.

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.