

**2024**

# **Regional Coalition Plan**



**Regional Childcare Coalition**

Mason. Lake. Oceana. Newaygo. Muskegon.





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### Regional Childcare Coalition

Mason. Lake. Oceana. Newaygo. Muskegon.



# INTRODUCTION



“

**“EARLY CHILDHOOD  
EDUCATION IS THE KEY  
TO THE BETTERMENT OF  
SOCIETY.”**

**MARIA MONTESSORI**

”

The significance of early childhood education in enhancing children’s wellbeing and development, and its broader impact on families and communities, cannot be emphasized enough. The experiences children have in their first five years play a vital role in establishing a solid foundation for brain development. Quality childcare not only supports children’s growth and learning but also enables parents to work or pursue additional education. Positive effects of childcare ripple into communities as children enter elementary schools ready to learn, employers have less absenteeism and turnover, and local economies flourish.

Despite the crucial role childcare plays in supporting thriving communities, families and childcare business owners in the Lakeshore Region (Mason, Lake, Oceana, Newaygo, and Muskegon counties) encounter significant obstacles including a broken market which makes childcare unaffordable for most families, yet untenable as a business. In response to these challenges, the Lakeshore Regional Childcare Planning Coalition was established and received a Regional Child Care Planning Grant from the ECIC–Child Care Innovation Fund. This grant aims to accelerate collaborative efforts at the community level to cultivate new partnerships and implement action plans to address the childcare crisis.

To devise an effective and tailored action plan, our coalition conducted a thorough community needs assessment, involving families, childcare business owners, and employers in our region through various approaches. The action plan delineates the background and rationale for our initiatives, presents the insights from our needs assessment, and outlines our community-driven approach to establishing a childcare system that fully supports children, families, the early learning workforce, and community prosperity.

# About Our Region

The Lakeshore region covers Mason, Lake, Oceana, Newaygo, and Muskegon counties. Much of this area is rural with a small urban feel in the city of Muskegon and Muskegon Heights. The entire region falls between moderate capacity and childcare desert status, meaning there are more children in need of care than there are spots available. The Kids Count data in Michigan shows that our region's population is predominately white. However, Newaygo and Oceana have a significant Hispanic or Latino presence. Muskegon stands out as the most diverse county with notable representation of Black, Hispanic or Latino, and Mixed-Race families.

The State of Michigan has a rate of 39% of households in poverty and ALICE (Asset Limited Income Constrained and Employed). Overall, the Lakeshore region has a higher rate of households in poverty and ALICE than the state (see **Table 1**).

County	Poverty & ALICE Rate
Muskegon	42.2%
Newaygo	44.2%
Mason	41.8%
Oceana	42.5%
Lake	56.3%
Michigan	39%

**Table 1: Poverty and ALICE rates for Lakeshore region and State of Michigan.**

## The Regional Childcare Coalition

Our coalition includes members representing Lake, Mason, Muskegon, Newaygo, and Oceana to ensure voices from all counties are heard. Several parent leaders participate in coalition meetings. Their support was instrumental with survey collection.

**COALITION LEADS:** Amber Rumsey and Kathy Sayles, United Way of the Lakeshore

### Organizations who participate in the coalition include:

- Access Health
- Chamber Alliance of Mason County
- Community Foundation for Muskegon County
- Community Health Innovation Region (CHIR)
- Department of Health and Human Services
- Discovery School
- District Health Department #10
- Employers Association of West Michigan
- Employer Resource Network
- Fremont Mayor Jim Rynberg
- Goodwill Industries of West Michigan
- Great Start to Quality Western Resource Center
- Great Start Collaborative- Muskegon
- Great Start Collaborative- Newaygo
- Great Start Collaborative- Mason, Lake, Oceana
- Lake County Economic Development Alliance
- LARA Licensing Consultants
- Lighthouse Learning Program
- Little Ones Daycare & Preschool
- Muskegon County
- Muskegon Rescue Mission
- Newaygo County Economic Development Partnership
- Oceana Community Foundation
- Oceana County Economic Alliance
- Oceana Early Childhood Center
- Orchard View Community Learning Center
- River Country Chamber of Commerce
- Shelby Early Learning Center
- Talent First
- The Right Place
- United Way of the Lakeshore
- United Way of Mason County
- Vibrant Futures
- Walker's Daycare and Starter Education
- Westshore Community College
- Western Early Childhood Support Network

# Needs Assessment Methodology

The Needs Assessment utilized results from a childcare survey created by Policy Equity Group and anecdotal evidence from Focus Groups held with stakeholders across the region (see **Table 2**). Partnerships with the Great Start to Quality and Great Start Collaboratives were instrumental in helping us reach families and childcare business owners in each county. Surveys were shared as links in emails, QR codes on flyers, and paper copies as needed during in-person events. All materials were available in Spanish to ensure equity in access. Many of our counties incorporated incentives with gift cards to help guide public interest in the survey.

Many of the surveys were given at family-friendly community events in the summer of 2023, and the coalition was directed not to ask patrons questions about income levels to avoid possible stressors. All participants were given the autonomy to decide not to answer questions that they felt uncomfortable answering, which means we may not have an accurate idea of race/ethnicity or average income of the people who took the survey. Based on those who answered questions about race; many participants were white, with a significant number of Hispanic and Latino participants.

Employers were reached with the help of The Right Place and the United Way of Lakeshore's business relationships. Surveys were shared with local Chamber of Commerce members, and several coalition members engaged in one-on-one interviews with employers to answer survey questions.

Focus Groups were hosted for employers, childcare business owners, and families in all five counties. Groups were asked to consider the strengths of childcare in their county, the challenges and the possible solutions.

Overall, we gathered a meaningful collection of voices from four of five counties. Lake County has significant barriers to access that made it difficult to find spaces to connect with families. Most of the Lake County responses were collected at the Baldwin Community Schools Back to School event. Speaking with families at this event gave the coalition a solid picture of childcare needs in Lake County.



**Table 2. Summary of data collection and stakeholder engagement**

<b>Group</b>	<b>Engagement Method</b>	<b>Outreach/Sample</b>	<b>Number of Participants</b>	<b>Total Participants</b>
<b>Families</b>	<b>Survey</b> <i>June-September 2023</i>	<ul style="list-style-type: none"> <li>Shared with Early On Instructors to complete at home visits.</li> <li>Attended Play &amp; Learns, summer festivals, and back to school events.</li> <li>Shared on Great Start Collaborative and United Way Social Media.</li> <li>Great Start to Quality asked childcare providers to share the survey with their families.</li> <li>Offered in English and Spanish.</li> <li>Available in digital and paper form.</li> </ul>	<b>820</b>	<b>834 FAMILIES</b>
	<b>Focus Groups</b>	<ul style="list-style-type: none"> <li>Offered at locations in Mason, Muskegon, Newaygo, and Oceana.</li> <li>Sessions were shared through Great Start Collaborative and the United Way of the Lakeshore.</li> <li>Families discussed strengths, weaknesses, and possible solutions.</li> </ul>	<b>41</b>	
<b>Childcare Business Owners</b>	<b>Survey</b> <i>June-September 2023</i>	<ul style="list-style-type: none"> <li>Great Start to Quality shared the survey with childcare providers.</li> <li>United Way of the Lakeshore shared the survey with Childcare Connections Networking Group.</li> </ul>	<b>190</b>	<b>223 CHILDCARE BUSINESS OWNERS</b>
	<b>Focus Groups</b>	<ul style="list-style-type: none"> <li>Offered at locations in Muskegon, Newaygo, and Oceana. (The Oceana group incorporated Mason and Lake.</li> <li>Childcare business owners discussed strengths, weaknesses, and possible solutions.</li> </ul>	<b>33</b>	
<b>Employers</b>	<b>Survey</b> <i>June-September 2023</i>	<ul style="list-style-type: none"> <li>The Right Place shared the survey with their HR groups.</li> <li>Chamber of Commerce groups shared the survey with their memberships.</li> <li>Coalition members made personal requests to employers to complete the survey.</li> <li>The United Way of the Lakeshore shared the survey with our business contacts and in our Friday Five updates.</li> </ul>	<b>166</b>	<b>202 EMPLOYERS</b>
	<b>Focus Groups</b>	<ul style="list-style-type: none"> <li>Offered at locations in all five counties. The Right Place and River County Chamber of Commerce helped host.</li> <li>Employers discussed strengths, weaknesses, and possible solutions.</li> </ul>	<b>36</b>	

*Note: There may be some overlap in participation (e.g., an individual who attended a focus group and completed a survey), but because surveys were anonymous, the exact number is unknown. Note: There may be some overlap in participation (e.g., an individual who attended a focus group and completed a survey), but because surveys were anonymous, the exact number is unknown.*

# DEFINING CHILDCARE GAPS AND FRAMING THE PROBLEM

## Problem Statement #1:

**The price of childcare is unattainable for families and financial support is not easily accessible.**

### **Childcare is unaffordable for many families.**

The price of childcare is prohibitively high for many families. The U.S. Department of Health and Human Services recommends that childcare expenses should constitute no more than 7 percent of a household's total income. However, actual costs to families often far exceed this recommendation. As indicated in **Table 3**, childcare expenses for families at the median income level are nearly double the recommended threshold, and for families earning minimum wage, these costs can be five times or more above the suggested limit. The financial burden is even greater for families with infants, toddlers, multiple children, children with special needs, or those needing care during non-standard hours. These high costs often compel parents to seek alternative childcare arrangements or even forgo employment opportunities.

**Table 3. Average monthly childcare tuition rates and percentage of household income**

County	Average Monthly Rate For Child Care	% of Median Household Income	% Of Income At Minimum Wage
Muskegon	\$684	14%	39%
Mason	\$626	12%	36%
Oceana	\$615	13%	35%
Newaygo	\$611	13%	35%

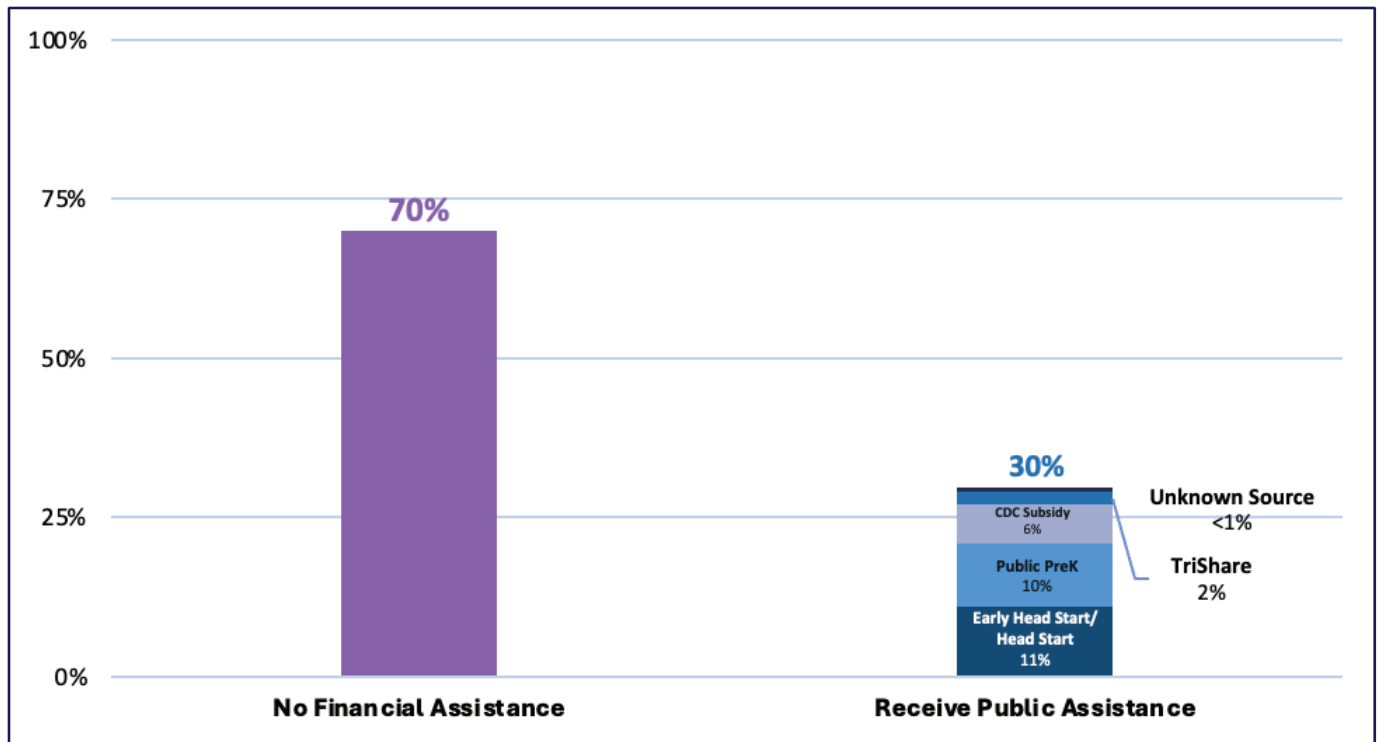
*Note: Data not available for Lake County.*

Consistent with these data, nearly 500 families—or 77 percent of those reporting childcare challenges on our survey—indicated that the high price of childcare was the leading factor preventing them from accessing the childcare they need.

### **Limited utilization of subsidies and financial assistance programs.**

Because childcare is an essential service for working families yet is financially out-of-reach for so many, financial assistance for childcare is a crucial support for our region's prosperity. However, despite the widespread challenges of paying for childcare reported by families, 70 percent of our survey sample reported that they do not receive any financial assistance for childcare from available programs (see **Figure 1**).

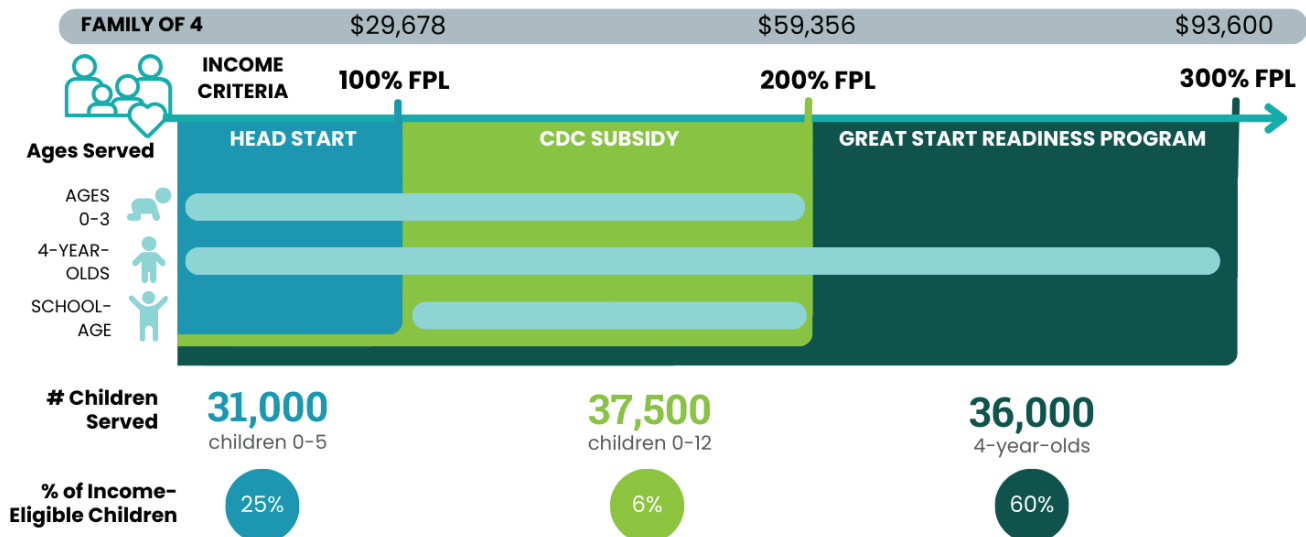
**Figure 1. Percent of surveyed families receiving financial assistance for child care expenses.**



To give a broader context for childcare subsidy eligibility and use across the state, **Figure 2** outlines three primary financial aid programs in Michigan: Head Start/Early Head Start, Child Development and Care (CDC) subsidies, and the Great Start Readiness Program (state-funded public preschool). As noted in the last row, the percentage of eligible children who actually receive these supports varies widely.

**Figure 2. Eligibility and receipt of public assistance for childcare in Michigan**

## WHO IS **ELIGIBLE** FOR PUBLICLY FUNDED CHILD CARE?



Adapted from: Policy Equity Group, Pulse, & Michigan Transformation Collective (2024). *The Child Care Crisis is a Labor Crisis*

Particularly notable is the small percentage of eligible children who receive CDC subsidies. Similar evidence of low-utilization rates is evident in our region. Although not calculated as percentage of all eligible children or total applications received, data indicates that only about half of children whose families' applications were approved for subsidies actually receive them (**see Table 4**). Across our five counties, these rates represent just 2 to 5 percent of the entire child population ages birth – 12.

**Table 4. Number and percentage of CDC subsidies approved and received.**

County	# of Children Approved for Subsidies	# of Children Receiving Subsidies	% of Approved Children Receiving Subsidies	% of Total Child Population (Ages 0-12) Receiving Subsidies
Muskegon	2436	1339	55%	5%
Newaygo	373	205	55%	3%
Mason	157	94	60%	2%
Oceana	147	76	52%	2%
Lake	83	36	43%	2%

*Source: Michigan Department of Health and Human Services (May 2023). Green Book Report of Key Program Statistics; Annie E. Casey KIDS COUNT Database; Children ages birth to 12 receiving subsidized childcare in Michigan*

Families may not access subsidies for several reasons including awareness of the program, complex application processes and requirements, challenging interactions with program agencies, difficulty proving eligibility, or finding approved childcare programs that will accept subsidies. In addition, many families exist in the “childcare gap” where their incomes are above the threshold to qualify for financial assistance, yet still insufficient to comfortably afford childcare. Further research should be conducted in our region to better understand the specific barriers that families face in accessing financial support.

## Problem Statement #2:

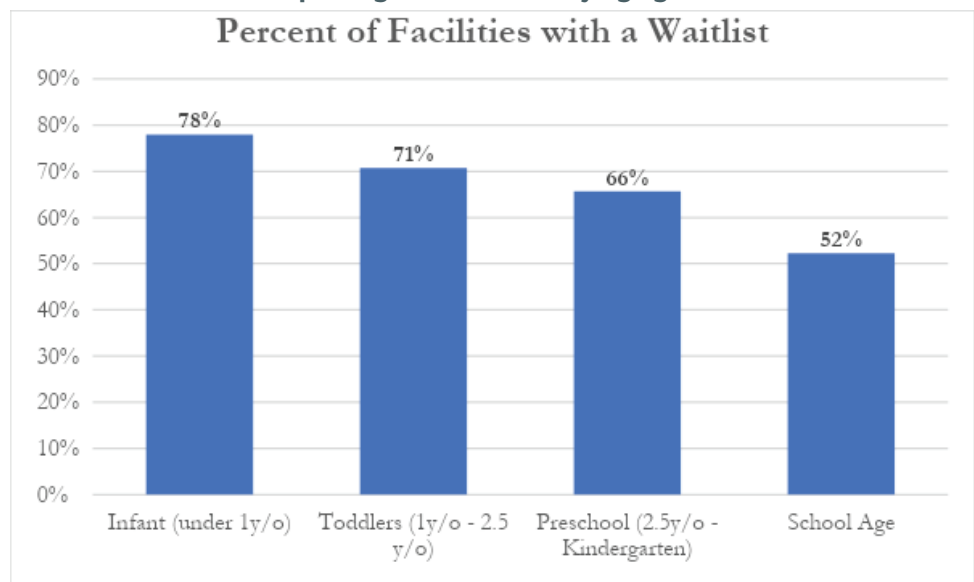
**Lack of available childcare slots and care that meets the specific needs and preferences of families.**

### Insufficient licensed childcare capacity.

Despite the high demand for childcare in our area, there is a notable gap between the available supply and the actual need. In our region, there are 132 licensed centers (including public pre-K and before/after school care programs), 96 licensed group homes, and 75 licensed family childcare homes. Combined, these facilities have the licensed capacity to accommodate 11,131 children across five counties. However, with over 19,000 children aged birth to 5 in our region, there are only enough spots for 58% of them, with many slots designated for children older than 5 in out-of-school care. While some families prefer informal childcare arrangements, such as care provided by a parent or relative, the lack of available slots was identified as the second most common obstacle to accessing necessary childcare in our survey, affecting 49% of families.

Consistent with the family perspective, most childcare business owners in our survey reported that they have waitlists. As shown in **Figure 3**, nearly 80 percent of childcare programs responding to our survey reported having a waitlist for infants. The number of waitlists for older children is lower due to larger class sizes and more programs offering care for these ages as it's more financially sustainable. However, even for older children, many programs have waitlists, highlighting the notable gap between supply and demand.

**Figure 3. Percent of childcare business owners reporting waitlists for varying ages.**



### Need for care to accommodate families' schedules.

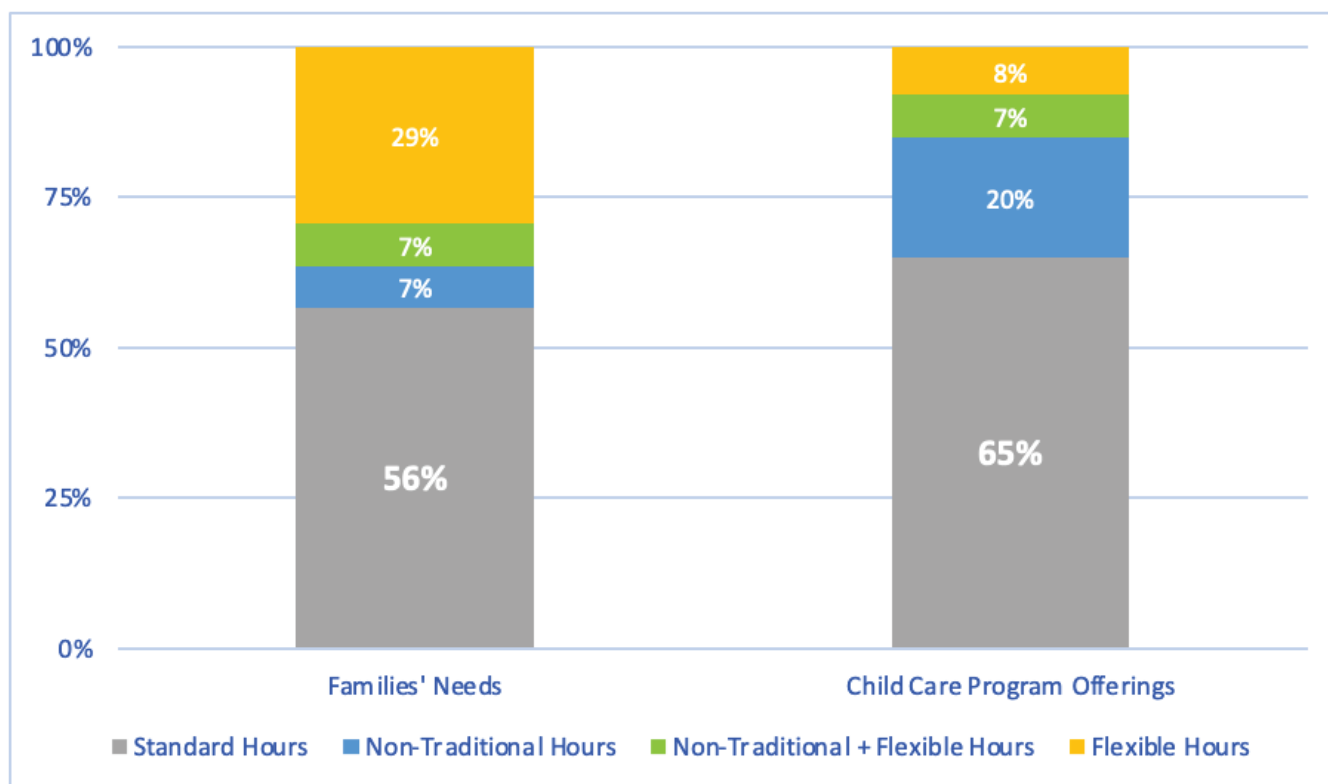
When searching for childcare options, many families cite the importance of logistical considerations. Indeed, most families in our region shared that hours/days care is offered, location, and planning care for multiple children were considerations and often barriers. One particular challenge for many families is finding care that aligns with their work schedule. In our 24/7 economy, many industries—including retail, restaurants, healthcare, warehousing, security,

customer service, and transportation—rely on jobs that do not have traditional 9-to-5 schedules, predictable hours, or advance notice of schedules. This can make childcare arrangements particularly challenging. Nontraditional and irregular schedules affect working families across income brackets, including doctors, lawyers, and investment bankers. Yet these working conditions and associated challenges are disproportionately experienced by low-income workers and women, many of whom are responsible for young children.

**Figure 4** shows that 44 percent of families in our sample reported a need for childcare during either non-traditional hours, flexible/drop-in care, or a combination of both. Furthermore, 69 percent of employers we surveyed indicated that employees have inconsistent, non-traditional, or last-minute schedule changes with work schedules.

On the supply-side of the equation, **Figure 4** shows that only 35 percent of licensed childcare business owners in our region offer care during non-traditional hours and/or on a flexible basis. Most of these childcare business owners (75 percent) are home-based providers, meaning that though they may be more flexible, their capacity is more limited than center-based care.

**Figure 4. Childcare for non-traditional hours and flexible schedules: Family needs and program supply**



*Note: n = 606 family survey respondents; N = 302 licensed providers from LARA database.*

One of the largest gaps for families appears to be the need for more care offered on a drop-in/flexible basis. As seen in Figure 4, nearly 30 percent of families indicated a need for flexible hours, but less than 10 percent of local providers offer this option. This is consistent with the fact that lack of available back-up care was the third most often endorsed childcare barrier by surveyed families. Even when families have predictable work schedules and consistent childcare arrangements, there will be times when childcare is unavailable due to illnesses or program closures (planned and unplanned). This often puts the burden on the family to find alternate arrangements or miss work to care for their children. Unfortunately, most licensed childcare programs are unable to offer flexible schedules or drop-in care due to the need for stable revenue to cover fixed costs and predictable attendance to comply with staff-child ratios and group size regulations.

### Problem Statement #3:

**Lack of qualified childcare professionals to meet the demand.**

### Childcare business owners across the region are struggling to recruit and retain a high-quality educator workforce.

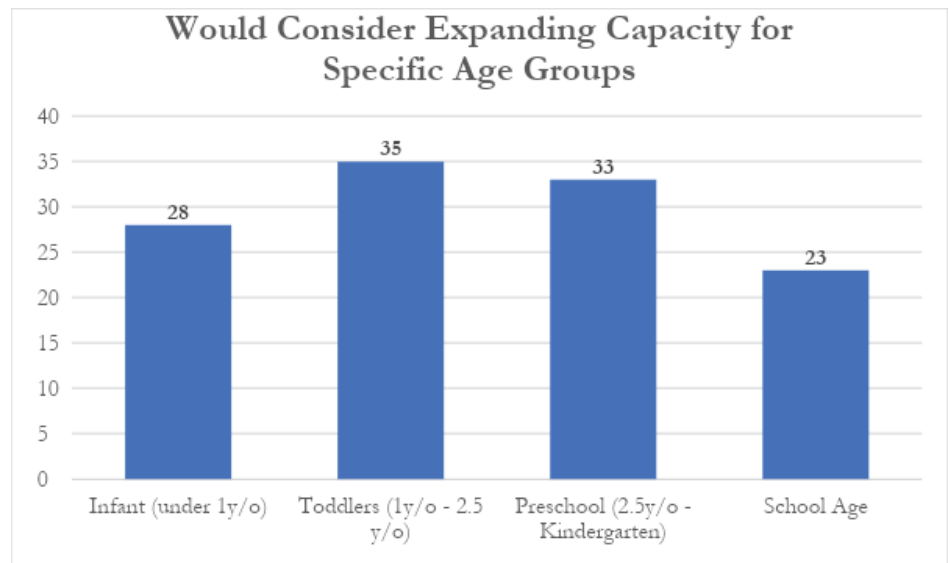
With childcare programs operating on narrow profit margins, due in part to limited state and federal investment, and limited on what fees families can afford, limited revenue exists to offer competitive wage and benefit packages to early educators. Childcare educators frequently face stagnant wages that fail to reflect the high level of skill, dedication, and responsibility required for their roles.

Of those surveyed, childcare business owners identified four key challenges related to staffing. This included:

- (1) inability to offer competitive wages and benefits,
- (2) difficulty finding substitutes,
- (3) lack of applicants, and
- (4) lack of applicants meeting required qualifications.

Staffing challenges have far reached impacts, with some childcare business owners unable to open all classrooms in their programs due to staffing shortages or face significant barriers to expansion. While a promising number (79 percent) of childcare business owners would consider expanding capacity for all age groups, and in particular for toddlers and preschool, staffing is the number one barrier to expanding.

**Figure 5. Childcare business owners that would consider expanding their capacity with adequate supports and resources.**



*Note: Childcare business owners; respondents could select more than one age group*

## Problem Statement #4:

### Lack of employer engagement.

### Employers can play a pivotal role.

Employers can play a pivotal role in addressing the childcare crisis for employees with young children by actively implementing supportive policies and programs that alleviate the burden of childcare responsibilities. Most employers agreed that childcare issues experienced by employees negatively impacted their business, with 90 percent indicating impacts on attendance and 82 percent on their ability to recruit and retain employees. At a recent CEO summit, employers indicated that the cost of employer turnover was a significant stressor and was ultimately more expensive compared to participating in programs that support employer childcare access, such as Tri-Share.

For employees, 49 percent of survey respondents with children indicated that they have left a job or turned down offers for promotions, reassignments, or further education due to childcare issues. At the same time, 43 percent of families reported having no childcare-related benefits available through their employers. When asked, the most valuable forms of employer-backed support for childcare assistance included, emergency or backup care and financial assistance for childcare expenses.

Employers recognize the impact of insufficient childcare on their businesses, and their role in supporting childcare access for employees with young children. Two key challenges emerged from the survey, including information about implementation and how best to adapt operations to allow flexibility in work schedules and location (e.g., hybrid, remote). Employers recognize the important role they can serve in supporting childcare access for employees with young children. The majority of survey respondents responded positively on whether they are currently or would consider/plan to implement policies to support the childcare needs of their employees (**see Table 5**).

**Table 5. Employer support for the implementation of childcare friendly policies.**

	<b>Flexible/ Remote Work Options</b>	<b>Information about Childcare Availability</b>	<b>Information about Financial Assistance</b>	<b>Provide Support to Develop Partnerships with a Local Childcare Provider</b>
<b>Have Implemented</b>	<b>43.6%</b>	<b>21%</b>	<b>20%</b>	<b>4%</b>
<b>Would Consider or Planning to Implement</b>	<b>29%</b>	<b>65%</b>	<b>63%</b>	<b>68%</b>

## Problem Statement #5:

**Current regulations can be time- and resource-intensive and are preventing growth.**

### Survey question response.

In response to an open-ended survey question about the biggest challenges for start-up and expansion, many childcare business owners identified issues with zoning and licensing processes. Many respondents noted delays and lack of clarity and communication in these processes. Childcare business owners reported that it takes a minimum of two months to obtain a license, with some waiting up to a year. The lack of standardization and consistency across agencies issuing regulations can cause additional delays, duplication of effort, and confusion. Overall, strict zoning policies limiting the location of programs, lack of alignment between local and state policies, and high costs and fees present significant barriers for programs to open or expand, further limiting the availability of care for families. Childcare business owners called for more transparency, streamlining, and flexibility in zoning and licensing regulations.



# FRAMING THE PROBLEM

Conducting a needs assessment proved instrumental in uncovering three key root causes to the childcare crisis in the Lakeshore region. These root causes include inadequate access to childcare (i.e., cost of care, availability, and ability to find quality childcare that meets the unique needs of families), workforce shortage, and limited employer engagement. This regional plan and the proposed key strategies seek to address longstanding challenges within the childcare field, instead of symptoms of the crisis.

Childcare providers cannot charge families what is needed to deliver a high-quality experience and still earn a fair profit themselves. The current business model is not sustainable. The reliance on families to mainly cover the cost is unrealistic and unsustainable, and short-sighted. The inability to pay staff a living, let alone fair, wage negatively impacts their ability to fill positions (which affects their ability to fill all available childcare spots), and to offer needed professional development for staff. Owning, and working in, a childcare center or home is a challenging job.

The inability to pay childcare educators a living, let alone fair wage, negatively impacts childcare business owners' ability to recruit and retain a quality workforce. The current business model is not sustainable. A lack of federal and state investment, requiring families to cover the majority of the cost of care is unrealistic for family budgets and unsustainable long term. The inability to pay childcare educators a living, let alone fair wage, negatively impacts childcare business owners' ability to recruit and retain a quality workforce. From a systems perspective, funding of early childhood development requires a multi-faceted approach. Employers across the region, while recognizing the impact of the childcare crisis on their business, expressed challenges navigating and implementing the options available to support employees' childcare needs, ultimately limiting their involvement.

Implications of the childcare crisis are widespread, impacting not only the economics of families with young children and childcare providers, but also the local Lakeshore economy. The U.S. Chamber of Commerce estimates that Michigan is losing \$576 million in tax revenue, while Michigan employers lose \$2.3 billion, due to employee turnover and absenteeism caused by inadequate childcare options. The childcare crisis is compounding, impacting individual employee workforce participation, leading to reduced business productivity, and ultimately impacts on the local Lakeshore economy.

**Workforce Participation:** Without access to reliable childcare services, families often face difficulties in joining or remaining in the workforce. This can lead to a reduced labor force participation rate in the region, limiting economic productivity and potential growth. The childcare crisis is an issue that particularly affects women, many who work in critical industries such as education and health care. School and health care systems are hurting when women are being forced to leave the workforce because of childcare issues. This also creates more strain on the public assistance system because, when one parent is removed from the workforce, that is often a tipping point in which a household then becomes eligible for public assistance.

**Reduced Business Productivity:** The lack of available childcare can impact employee attendance and punctuality. The reach of employer impact extends beyond education and health care. In many communities, the trickle-down effect can be felt in nearly every industry. Our communities may start to experience restaurants and stores reducing hours or longer closure periods due to staffing constraints.

**Local Economy:** Childcare centers and providers contribute to the local economy by creating jobs and generating income. When childcare facilities are scarce, it can lead to a loss of employment opportunities and reduced economic activity in the area. If we want thriving communities, we must have an adequate supply of affordable and quality childcare available.

# CHARTING A COURSE OF ACTION

Childcare is an essential service that supports the well-being and development of children while enabling parents to engage in work and education opportunities. The coalition's course of action focuses on the three key-barriers families in the Lakeshore region identified as their greatest need; access (affordability, availability, quality), childcare staffing, and employer engagement.

## Key Action Strategy #1A

**Support the growth and availability of existing programs intended to support families with the cost of childcare including CDC Scholarship (Subsidy) and Tri-Share.**

### PROBLEM STATEMENT 1: Cost of care is unattainable for families.

**Rationale:** Many of the families that qualify for CDC Scholarship (subsidy) do not receive benefits. MiLEAP has implemented changes to help ease the process by eliminating the necessity for parents with full custody to enforce child-support from the other parent. Eligibility will only be based on the primary parent. In addition, subsidy will now be referred to as scholarship to help lessen the stigma sometimes associated with receiving benefits. The state of Maryland reported an increase of subsidy utilization when they made this change.

Implementation Strategies	Potential Partners
We will continue to bolster Tri-Share and find creative ways to support the employer portion of the Tri-Share model.	Goodwill Industries
Sharing information about Tri-Share and CDC Scholarship at HR Roundtables.	Employers Association of West Michigan
Sharing information about Tri-Share and CDC Scholarship at Rotary Meetings.	Muskegon Rotary Club

### Key Action Strategy #1B

**Support the growth and availability of existing programs intended to support families with the cost of childcare including CDC Scholarship (Subsidy) and Tri-Share.**

#### **PROBLEM STATEMENT 1: Cost of care is unattainable for families.**

**Rationale:** The MiBridges website can be confusing for families who are already experiencing stress trying to access needed resources. Community partners are the most helpful when they are knowledgeable about the process and can guide families through the expectations from DHHS.

Implementation Strategies	Potential Partners
First training April 10, 2024 - at Regional Childcare Coalition Meeting	Childcare Providers Local school districts  Michigan Works! Department of Health and Human Services
Schedule training as needed for helping organizations.	Department of Health and Human Services

### Key Action Strategy #2

**Create and sustain community based childcare scholarships for Alice families who do not meet the requirements for CDC Scholarship or Tri-Share.**

#### **PROBLEM STATEMENT 1: Cost of care is unattainable for families.**

**Rationale:** Many families that do not qualify for CDC Scholarship (subsidy) or Tri-Share benefits still struggle to pay the out-of-pocket cost of childcare.

Implementation Strategies	Potential Partners
Working with Community Foundations in each county to form scholarships.	Fremont Area Community Foundation Community Foundation of Muskegon County Oceana Community Foundation
Goodwill Industries currently funds a childcare scholarship fund through a LEO grant.	Goodwill Industries

### Key Action Strategy #3

#### *Support the creation of Microcenters in our region*

#### **PROBLEM STATEMENT 2: Lack of spots available (physical space, or space for child with special needs).**

**Rationale:** Licensing can present a barrier for potential care providers. The licensing rules for Group homes are less strict than those of a center. A microcenter gives a provider the opportunity to run a small childcare business in a location outside of their home with the leniency given to a group home provider.

Implementation Strategies	Potential Partners
Allow childcare licensed as a Group Home to occur in a location outside of a home.	LARA Licensing

### Key Action Strategy #4

#### *Continue support for the Great Start to Quality in providing high-quality training to providers. They maintain a database with all local licensed providers listed*

#### **PROBLEM STATEMENT 2: Lack of spots available (physical space, or space for child with special needs).**

**Rationale:** Families look for access to quality care for their children. Supporting the work of the Great Start to Quality ensures that our providers can continue their learning as early childcare professionals. For childcare business owners, this supports the hiring, training, and retaining early childhood educators.

Implementation Strategies	Potential Partners
GSQ provides training and support to childcare business owners, including specialized training through Childcare Connections to offer quality care for children with high needs.	Great Start to Quality United Way of the Lakeshore
Share the GSQ website with the current licensed providers—searchable by zip code.	Great Start to Quality Great Start Collaboratives-Mason, Lake, Ocean, Newaygo, Muskegon

### Key Action Strategy #5

**Support ECE Apprenticeship with Michigan Works! Participants earn on-the-job and in classroom training while getting paid. When their apprenticeship is complete their journey worker's credential is transferable to anywhere in the United States.**

#### **PROBLEM STATEMENT 3: Lack of qualified childcare professionals to meet the demand.**

**Rationale:** The apprenticeship program through Michigan Works! West Central gives potential childcare employees an opportunity to learn about childcare as a career choice while getting paid wages. Participants who find their passion in the childcare industry are then given the opportunity to receive education paid for by Michigan Works! This program allows people interested in childcare to discover the options without risks to them.

Implementation Strategies	Potential Partners
In place for Oceana, Mason, Lake, and Newaygo. (Michigan Works! West Central). Muskegon is behind but will get an apprenticeship. (West Michigan Works!)	Michigan Works! Great Start to Quality

### Key Action Strategy #6

**Advocate for childcare friendly policy at the local, state, and federal level.**

#### **PROBLEM STATEMENT 3: Lack of qualified childcare professionals to meet the demand.**

**Rationale:** Two things are true; the cost of childcare is high and childcare employees frequently do not earn sustainable wages. Covering the cost of childcare for ECE employees will make it less likely for them to leave the field because they cannot afford the cost of care.

Implementation Strategies	Potential Partners
Mobilize coalition members to advocate for policies with lawmakers by offering advocacy training.	Michigan's Children Michigan League for Public Policy
See State-Level Enabling Factors	Michigan's Children ECIC

### Key Action Strategy #7

*Create a Childcare Association to offer benefits such as health coverage.*

#### **PROBLEM STATEMENT 3: Lack of qualified childcare professionals to meet the demand.**

**Rationale:** To meet the demand of childcare we must focus on building the workforce by hiring, training, and retaining early childhood educators.

Implementation Strategies	Potential Partners
Partnering with Access Health to offer health coverage	Access Health
Create standardized onboarding for childcare provider staff beyond health and safety training requirements. (Regular CPR & First Aid courses offered)	Great Start to Quality

### Key Action Strategy #8

*Our coalition wishes to change the narrative surrounding ECE professionals.*

#### **PROBLEM STATEMENT 3: Lack of qualified childcare professionals to meet the demand.**

**Rationale:** To meet the demand of childcare we must focus on building the workforce by uplifting their status in our communities. Childcare providers are small business owners that are often not viewed as businesses to the community and in some cases, providers themselves. As a result, childcare businesses are often not included.

Implementation Strategies	Potential Partners
Sharing positive stories about childcare professionals and their work in the news and through our social media outlets. United Way of the Lakeshore will include stories in our Friday Five Newsletter.	Michigan's Children
Include childcare providers in Small Business Day activities at the United Way of the Lakeshore.	United Way staff and volunteers
Partner to create special childcare business membership to the local chamber of commerce.	Muskegon Chamber of Commerce
Providing information about ECE Employment at United Way Engagement booths.	United Way staff and volunteers

## Key Action Strategy #9

**Educate employers about opportunities to support family-friendly policy that will make them an employer of choice.**

### PROBLEM STATEMENT 4: Lack of employer engagement

**Rationale:** In a survey conducted by Healthwest in Muskegon, four of their 20 Tri-Share participants shared that they would have left their job without the benefit. The cost of one salary is \$54,247 and the cost of Tri-Share is \$3,680. If all four employees left the turnover cost would have been \$216,988 while tri-share only costs \$14,720.

Implementation Strategies	Potential Partners
<p>Share the Pulse Employer Roadmap and help employers navigate childcare policy that works best for their employees.</p> <ul style="list-style-type: none"><li>• Support includes surveying staff to confirm the exact needs that need to be met.</li><li>• Provide employers with information on how to adapt operations to allow flexibility in work locations and scheduling.</li><li>• Work with employers to expand Tri-Share</li></ul>	<p>PULSE</p> <p>Employers Association of West Michigan</p> <p>Muskegon County Chamber of Commerce</p> <p>Fremont Area Chamber of Commerce</p> <p>Oceana Economic Alliance</p>
<p>Employer Summit hosted on March 19 with all five counties to share strategies. 59 people in attendance.</p> <ul style="list-style-type: none"><li>• Smaller events are being planned in Muskegon and Newaygo to capture an audience of employers who might not have been able to make the first event.</li></ul>	<p>PULSE</p> <p>Muskegon County Chamber of Commerce</p> <p>Fremont Area Chamber of Commerce</p>

# ENABLING SUCCESS

## Coalition-Level Enabling Factors

The Lakeshore region is fortunate to have the support of local organizations that represent multiple stakeholders in our communities. Strong partnerships with the Great Start to Quality Western Resource Center and the Great Start Collaboratives provided our coalition with trusted messengers to reach families and childcare business owners. Similarly, the Employer Association of West Michigan and county economic alliance groups shared space to reach employers. Continuing our collaborations and extending our reach to organizations we haven't yet engaged will ensure the implementation of our plan.

Childcare appeared as a top priority in the Trinity Health Community Needs Assessment. Steering committees have been launched in Muskegon and Oceana to review the results of the assessment and develop solutions. The coalition is working with them to ensure success.

Collaborating across counties makes it essential to have trusted messengers in place for the best possible communication. It is our goal to connect and collaborate with trusted messengers for populations currently underrepresented in the survey and on the coalition.

Together we will collaborate and advocate to build a stronger childcare community that supports families, childcare professionals, and the local economy.



## State-Level Enabling Factors

Michigan has made significant investments in childcare to support families and strengthen the childcare infrastructure. Caring for MI Future provided a \$50 million grant program to help with the costs opening and expanding childcare programs. Mi Tri-Share splits the cost of childcare equally between the state, employers, and the employee, making childcare more affordable for families who qualify. Finally, the Child Care Innovation Fund provides resources to stabilize and expand access to high-quality childcare.

Even with these investments there is still more work to do at the state level to meet the needs of families and childcare business owners. There is a need to improve the CDC Scholarship application process, offer incentives to childcare employees, and include childcare infrastructure in community, rural, and economic development investments at state levels.

Data shows that CDC Scholarship is under-utilized for those who qualify, often because the process of applying is too complicated. Both families and childcare businesses owners have cited difficulties with the CDC Scholarship process, frequently finding themselves denied and pushed back to the starting line when information is missing. Inconsistent payments and poor communication from the agency led to some childcare business owners not



accepting CDC Scholarship. It is necessary to revamp the process to make it more accessible and user-friendly for families and childcare business owners.

Michigan is facing chronic shortages in the childcare workforce. The need for quality staff for childcare businesses cannot be met without a financial investment in the childcare workforce. We must pay childcare employees a livable wage if we are going to see a rise in people choosing to open a childcare business or choose to be employed in childcare. On a base level, childcare employees should

automatically receive CDC Scholarship to cover the cost of care for their own children. In addition, this essential workforce typically does not have the opportunity to access health insurance, as most childcare business owners cannot afford to offer the benefit. Expanding Medicaid to meet this need could have a positive impact on employees working in childcare. Ideally, the state will prioritize progress towards early educator compensation parity.

Childcare is an essential piece of infrastructure for the modern family. We must showcase our dedication to early childhood success to encourage families to live, work, and play in Michigan. Including childcare infrastructure in community, rural, and economic development investments at the state level will help expand efforts to align “Redevelopment Ready Communities” and other Michigan Economic Development Corporation initiatives with the profound and unmet need of capital investment in childcare facilities.

Advocacy is a necessary step in breaking down childcare barriers that affect families, childcare professionals and employers. Elevating the voices of childcare business owners, we will educate elected officials on policy that supports childcare business.

# TRACKING PROGRESS

Tracking progress is crucial for ensuring the regional childcare plan meets the needs of the Lakeshore region. The Lakeshore Regional Childcare Coalition is dedicated to regularly monitoring the progress of our proposed strategies, making adjustments to strategies when measurements indicate a need.

## Key Action Strategy #1A

***Support the growth and availability of existing programs intended to support families with the cost of childcare including CDC Scholarship (Subsidy) and Tri-Share.***

### MEASURES OF PROGRESS:

- Currently, the number of families receiving CDC Scholarship is less than the number that qualify for benefits. We want to support this program's growth so more families see their needs met.
- We will track the number of enrolled scholarship recipients in collaboration with our local DHHS branches.
- Track number of volunteers trained as Community Partners.

## Key Action Strategy #1B

***To further support DHHS our partners will learn how to login as a community partner on the MiBridges website to help families apply for benefits.***

### MEASURES OF PROGRESS:

- Community partners will keep a monthly log of families served and turn them into the Regional Childcare Coordinator at the United Way of the Lakeshore.

## Key Action Strategy #2

*Create and sustain community based childcare scholarships for ALICE families who do not meet the requirements for CDC Scholarship.*

### MEASURES OF PROGRESS:

- All families in our five-county region struggle with the cost of childcare. CDC Scholarship and Tri-Share do not serve all our working families. There is a need to increase access to help for those who “make too much”.
- Community Foundations and the United Way of the Lakeshore will track the number of families receiving scholarships from community funds.

## Key Action Strategy #3

*Support the creation of Microcenters in our region.*

### MEASURES OF PROGRESS:

Microcenters allow the opportunity for potential childcare providers to work open a Center with Group Home licensing expectations. This takes away unneeded licensing barriers.

- Track the number of microcenters through Great Start to Quality

## Key Action Strategy #4

*Continued support for the Great Start to Quality.*

### MEASURES OF PROGRESS:

The Great Start to Quality currently offers high-quality training for childcare providers across our five-county region. They also maintain a list of licensed childcare providers available to the public on their website.

- Great Start to Quality can share the level each childcare provider has within their system. They are also able to track the number of credit hours earned through MiRegistry.
- We will specifically track hours earned towards programs geared towards educating providers on best practices for children with special needs.

### Key Action Strategy #5

#### *Support ECE Apprenticeships with Michigan Works!*

##### **MEASURES OF PROGRESS:**

The current supply of quality childcare professionals does not meet the need. The ECE Apprenticeship opportunities can give potential childcare professionals the ability to learn while working in a quality program.

- Collaborate with Michigan Works! West Central and West Michigan Works! to track the number of ECE Apprenticeship participants.

### Key Action Strategy #6

#### *Ask the State to fund childcare scholarships for the childcare of all ECE employees. (Short-term) Investigate ways to increase the pay of ECE employees to a competitive range. (Long-term)*

##### **MEASURES OF PROGRESS:**

Our ECE employees are underpaid, causing many to leave the field due to financial sustainability. Giving our ECE employees incentives and competitive pay will help rebuild a depleting workforce.

- Assess coalition's increase in outreach after advocacy training from Michigan's Children.

### Key Action Strategy #7

#### *Create a Childcare Association to offer benefits and/or shared services.*

##### **MEASURES OF PROGRESS:**

Our ECE employees are underpaid, causing many to leave the field due to financial sustainability. Giving out ECE employees incentives and competitive pay will help rebuild a depleting workforce. Some of the vital services they need to stay in business are hard to come by. (CPR Training) This will make access easier.

- The United Way of the Lakeshore and the Great Start to Quality will maintain training attendance records for ECE employees who receive CPR & First Aid training through our programs.

## Key Action Strategy #8

*Change the narrative surrounding ECE Professionals.*

### MEASURES OF PROGRESS:

ECE professionals suffer from the lack of support they receive from the community, not only financially, but emotionally. Encouraging positive portrayals of ECE professionals will help sustain those already in the field and give hope to those who might consider joining.

- Track positive posts from the United Way of the Lakeshore social media.
- Track number of providers participating in small business days.

## Key Action Strategy #9

*Educate Employers about opportunities to support family-friendly policies that will make them an employer of choice.*

### MEASURES OF PROGRESS:

Employers notice the negative impacts lack of childcare has on their bottom line and desire to help in a way that makes sense to their business.

- United Way of the Lakeshore Regional Childcare Coalition will continue to share the PULSE employer roadmap with at Chamber meetings, HR Roundtable meetings, and Community Foundation meetings. (Track number of meetings attended/ number of participants for outreach)
- Great Start to Quality to track the number of childcare brochures given to employers with the help of partners such as the Regional Childcare Coalition.

# FINAL THOUGHTS & CONCLUSION

The childcare system is seriously flawed. This is not just a problem for individual parents or families. This is a problem that deeply affects our communities, employers, the economy, and our youngest and most vulnerable citizens. The Grand Rapids Chamber partnered with the U.S. Chamber of Commerce Foundation and the Early Childhood Investment Corporation to publish Untapped Potential In MI, a report that identifies the impact of childcare on Michigan's economy. They estimate that the direct financial impact of insufficient childcare coverage on Michigan's economy is \$2.88 billion each year.

Key barriers center around access in three primary areas: **affordability, availability, and quality**. Directly connected to that are the pain points with childcare staffing and the sustainability of the childcare business model.

Both center-based and in-home childcare business owners rely on private financing or payment from families to generate income. To generate income, owners must balance staffing and enrollment. A major flaw in this concept is providers are restricted by ratios or how many children they can enroll and the fees they charge must be in line with what parents can afford to pay.

An in-home childcare provider works roughly 65 hours a week between caring for children and managing their business responsibilities. When converting profit to hourly wages, in-home providers earn on average \$11.37 an hour before any taxes. High school students working in the fast-food industry are earning more per hour than people who care for babies and young children.

Low compensation and lack of benefits coupled with long work hours and physical demands take a big toll on the childcare workforce. The current structure makes it nearly impossible to recruit qualified talent to the profession.

Many families turn to unlicensed providers: family, friends, neighbors. Families with more than one child often must place their children in different childcare arrangements due to availability. Some families are forced to reduce their work schedules, turn down promotional opportunities, continue their education, or quit the workforce altogether.

The saying ***"It takes a village to raise a child"*** is true. One could add that it takes a community to solve the childcare crisis. Crafting solutions must involve families and providers, employers, and local and state government officials. This is a systems issue requiring a systems approach.

# ACKNOWLEDGMENTS

# APPENDIX FILES

*List of coalition members/member organizations*

*Survey, listening session, or interview protocols*

*Data tables that are too large to include within your report body*

## Addendum A: County-Specific Data and Input

### MUSKEGON

- Provided by Great Start to Quality Resource Center:
- 81 centers (20 are GSRP/Head Start), and 120 home-based providers
- Group homes and centers cannot fill all of their available slots because they cannot find staff. Noted were pay/benefits, and ability to find people interested in this line of work.
- Some group homes are operating as family homes because they have given up on staffing (ex: they pay for background check, onboarding, etc. only to have staff leave soon after)
- Need is greatest for Infants/toddlers and children with special needs, as well as 3rd shift
- There are at least two providers transitioning from home-based to centers, and a few working at centers who are going to open up home-based.
- Zoning is an issue, and associated cost (ex: cannot have a group home next to another group home)

### NEWAYGO

- Provided by Great Start to Quality Resource Center:
- 24 centers (3 are after-school only, 9 are GSRP and HeadStart, leaving 12 private centers), 16 home-based providers
- All have wait lists
- A new center is opening soon and is already full
- Infant/Toddler care is needed
- Magna, a large employer, would benefit from increased awareness of the childcare problem and identifying ways to better support families
- Internship available for those interested in working at centers and obtaining their CDA. Received an innovation fund grant and set up a CDA program for center staff to get their CDA

### MASON

- Provided by Great Start to Quality Resource Center:
- 15 centers (14 connected to schools), and 43 home-based providers
- One focuses on care for children with special needs and is always full
- Wait lists
- Need is greatest for infants/toddlers because most centers are connected to schools and do not take I/Ts, and care for children with special needs, as well as shift work
- Several churches say they have the space, but need help finding staff

## OCEANA

- Provided by Great Start to Quality Resource Center:
- 15 centers (6 are GSRP/Head Start), and 7 home-based providers
- There are 2 centers serving the migrant population that are seasonal, but migrants are not necessarily bringing their families with them as much as they used to
- One of the childcare group-home owners is nearing retirement
- There is one room at a center for Infants/Toddlers
- Need more care spread across region, so families do not have to travel as much
- Because centers are connected to schools, the need for care for children with special needs is not as much of a concern
- A large employer, Peterson Farms, opened a center
- Provided by employers through the Oceana Employer Input Session
- Several buildings have potential to become childcare centers
- New Era Elementary will be available soon.
- Two Oceana businesses have approached Shelby Public Schools with interest in a public-private partnership to open a childcare.

## LAKE

- Provided by Great Start to Quality Resource Center:
- 2 centers, 1 home-based provider (near retirement)
- Not hearing about wait lists; assume most people are having family/friends care for children
- Has had some success through Michigan Works apprenticeship program
- Need is greatest for infants/toddlers, and children with special needs
- Provided by employers through the Lake County Employer Input Session
- Night and weekend care is not available to employees' working 2nd and 3rd shift.
- Access to childcare is limited in Lake County. Some families have to access care outside far away from home and work.
- Liability for on-site care is daunting for employers.
- Employees want on-site care.
- Employers are willing to partner in the creation of a childcare center off-site that serves the needs of their employees.

## Addendum B: Quotes/Excerpts

### ABOUT IMPACT TO FAMILIES AND EMPLOYERS

- “Having to leave my job to stay home with my children, while a blessing, was a difficult decision, and has hurt us financially. I’ve had to decline several well paying job offers due to the lack of availability of childcare in our area
- “I’ve recently lost my job due to lack of sick care for my young child. Had there been a community resource or employer-based resource for this issue, I’d have rarely missed work and never lost my job.”
- “Some mothers have 2-3 childcare providers because of their schedules. Difficult for them to schedule, difficult finding someone, then worried when they’re at work because they’re unsure of the childcare being received.”
- “Employees may not be able to find care for one or more children. Hours of available care do not line up with the work schedule. Care for “off times” like summer break is hard to find.”
- “Transportation from daycare to /from school when my child’s daycare is not on the bus route area for the child’s elementary school.
- “There’s no available childcare in White cloud. If my mom (my sitter) has another heart attack, I have no clue how I’m going to work. I gave up a 500k/annual job because no childcare in Newaygo County worked with flexible hours. They’re all about 6a-6p and u have to have a set schedule. There’s absolutely no back up care that I’m aware of in west mi that will work with a sick child. I have lost jobs due to this. West mi isn’t friendly for single parents when it comes to jobs/childcare.”
- “There are NO options for parents that work 3rd shift. I work 12 hours days from 5:45pm to 6:15am.”
- “Our rural area is nearly devoid of daycares and used to contain several. This means our generation has become like our grandparents’ generation, which has at least one spouse working from home so that they may also take care of their children. It also means many are unable to apply towards jobs/ careers that they are qualified for or unable to train for better jobs/careers.”

### ABOUT PROVIDERS

- “Didn’t really trust anyone besides family with my children. Heard of a lot of things about certain day cares. Didn’t like the fact of not knowing or the uncertainty of what is happening with my child.”
- “We need access to Spanish-speaking care”. “No care for migrant children”
- “When moving to the area I was confused about how to get more information from childcare locations.”
- “We currently need care for children older than 12 due to social and emotional special needs.
- “Because of my son’s disabilities I have been unable to work and help support our family. No one will take him on to care for him”
- “LGBTQ+ supportive and friendly childcare is important. We live in a small city, so finding a place that values and recognizes our family is important.”

### ABOUT COST/FUNDING

- “We operate a childcare within our school district at all elementary locations. We could accept more children off of the waiting list but cannot find enough staff. Wages need to be enough for childcare staff to stop the revolving door of employees.

## ABOUT COST/FUNDING-continued

- “We do not qualify and have never qualified for financial assistance programs for childcare, but it does not account for bills and other debts and monthly payments.”
- “The cost of childcare is very expensive. A lot of daycares accept dhs for paying a portion of childcare, however I would not qualify because I “make too much” before taxes, even though as a single mother and having all bills come out of my pocket. I am left struggling.”
- “I pay 180 to \$225 a week and my children attend about 1-2 hours of daycare a week. I have to pay this because on Mondays kids get out of school early while my husband and I are working. Also, if I do not pay to keep our spot, we will have no care over the summer. \$800 is a lot to pay a month for four hours of actual childcare.”

## ABOUT REGULATIONS/PROCESS

- “Flexible regulations (zoning and licensing) in order to provide unique solutions that meet real needs”
- “Been working on getting my license since February. I applied in February and never heard anything reapplied again at the end of March. Heard something back from them. They goofed up and canceled out the wrong license. And now they forgot to run my environmental test, so I gave my employer my notice and now I am without an income. The licensing consultant came through my house two weeks ago and said that I was approved for licensing, and I should get my license later that week. She called later in the week and said that they didn’t do the environmental test. She turned it in on June 27.”
- “Hard to complete the onboarding process due to the long wait time to obtain background checks and 1st /CPR training.”
- “If I was able to up my ratio with my twp for zoning purposes I could help alleviate some of the childcare shortage.”
- “Three years ago, I tried to get a license for a group home. The first thing I’m supposed to do is to go to the township to get zoning approval. I went to the Township for zoning approval and paid for public hearings. I was told by the township that the house I lived in, which was my parents’, and I was paying their mortgage, was not approved for daycare, and I had to buy the house. I have since bought the house and now have challenges with the state of Michigan trying to get my house licensed again. This is just for the family home and then I’m going to go down the road with the group home licensing again and try to go to our Township which is White River Township. It has taken 6+ months for me to get this license. And then I was told I had the license coming so I quit my job. And now I was told another 2 to 3 months for the environmental test.”
- “All the paperwork. Grants are a great and huge help to improve or replace broken things in our home. None of us are accountants and the state is overwhelmed. I find errors when n grants that the state misses. I wish we had more resources to go to and accountants the state hired for us to see. Also, free counseling and mental health services for providers. Eye care or something along those lines to get people to want to do this job. And I want to stay. I have been doing this for 25 years and the benefits would be nice. I am so grateful for the grants. I would have had to shut down if not for the help. Inflation is killing the daycares.”
- “LARA rules and regulations can also at times be a roadblock, such as double fingerprinting. Staff are fingerprinted as part of a K-12 school in MI, but then LARA makes them get another set of prints... double the cost and why?”
- “Provide assistance for in-home daycares to become licensed and meet licensing criteria, as we have some of these in our area, but they choose not to be licensed because of fees and other costs associated with becoming licensed.”

## Addendum C: Sources

### REFERENCED SURVEY DATA CAN BE FOUND HERE:

- Regional Childcare Coalition | United Way of the Lakeshore
- Family Childcare Survey Results
- Early Childcare Provider Survey Results
- Employer Childcare Survey Results

### OTHER SOURCES:

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- Green Book Report of Key Program Statistics, January 2024
- <https://time.com/6836587/child-care-fund-costs-families-subsidies-biden>
- Untapped Potential In MI,
- Cost of Care Analysis(37495115.1).xlsx