



Promoting Equitable and Adequate Funding to Encourage an Increase in Licensed Child Care Slots

Root Cause Addressed

Market failure and underinvestment

Challenges Addressed

- Unaffordable child care
- Challenges recruiting and retaining staff

Rationale

From day one, the coalition discussed market failure and underinvestment as a leading cause to the community challenges of unaffordable child care and providers' difficulties recruiting and retaining staff, resulting in a dearth of child care slots. When analyzing strategies to address these challenges, the coalition determined that promoting equitable and adequate funding for child care providers would lead to an increase in licensed slots. The group aligned in identifying this as a high-priority action area, one that all members are ready to launch and support and the effects of which will reverberate to address many of the challenges highlighted in this report. Given Child Care Network's experience working with statewide advocacy groups and the existing network of local funders who have shown willingness to support early childhood education programming, the coalition felt the region is ready to launch these efforts soon.

Community Objectives

1. Advocate for state-level reform related to child care funding
2. Bring together local funding partners to support child care providers and families

Advocate for State-level Reform Related to Child Care Funding

Priority: High | Time frame: Ongoing

Description

Market failure and underinvestment has directly caused most of the challenges and impacts outlined in this report. A key step to addressing this root cause is advocating for more public investment in child care.

Key Parties

- Child Care Network (lead)
- Region's state-level elected representatives
- Child care providers
- Great Start Readiness Program
- Family coalitions
- General public

Potential Activities

- Continue to develop and refine the list of advocacy priorities listed below
- Identify opportunities to engage policymakers, such as Child Care Network's existing public policy program, and work to bolster the impact of those opportunities through promotion, outreach, and engagement of interested parties
- Support ECIC's and other statewide policy efforts related to increasing public funding for child care

Opportunities for Statewide Coordination

While local efforts exist to communicate with area policymakers, a coordinated statewide effort is needed to ensure all state-level policymakers are educated and engaged on this issue. To that end, this coalition and local partners should stay informed about and support efforts for coordinated and cohesive messaging across all of the state's regions to increase impact of advocacy efforts.

Advocacy Priorities

- Increasing overall investment to support child care
- Expanding the eligible uses of public dollars, including who can use that money and how funding can be used to support the providers as a business, workers seeking more livable wages, and families in need of financial assistance
- Reforming the current definition of the cost of care to capture the operational and organizational expenses of providing care more accurately
- Prioritizing funding that addresses current geographic gaps or gaps in types of care provided (e.g., overnight care, weekend care)
- Reforming the funding distribution through Great Start to Quality to ensure equitable disbursement of dollars to providers of different sizes and ratings
- Expanding successful programming that reduces costs for families, such as Tri-Share or the Child Development and Care program
- Streamlining reporting requirements tied to state funding sources

Key Considerations

The governor and legislature are actively working to develop a state budget for fiscal year 2025. As the current governor, who is midway through her final term, has expressed support for previous public investment in child care, opportunities for advocating for state funding opportunities could be time sensitive.

Tracking Progress

Outputs

- The number of policymakers educated and informed on the need for increased public investment in child care
- The number of advocacy events or efforts supported
- The total allocation of the State of Michigan budget going to support child care

Outcomes

- Increase in the number of licensed slots in the region
- Increase in the sustainability of child care providers by reducing the number of owners concerned with keeping their organization operational
- Reduction in the economic burden on families by decreasing the cost of child care charged to families
- Reduction in the disparities in having child care that meets the needs of families between different income levels, racial and ethnic groups, and location within the region



Bring Together Local Funding Partners to Support Child Care Providers and Families

Priority: Medium-high | Time frame: Ongoing

Description

While achieving adequate and equitable funding requires state reform, there are a variety of funders in the Livingston and Washtenaw County region that can help support child care providers and families seeking child care immediately. By coordinating efforts, local funders can make a substantial impact.

Key Parties

- Child Care Network (lead)
- Community and private foundations
- United Way for Southeastern Michigan
- Michigan Works! Southeast
- County governments
- Municipal governments

Potential Activities

- Develop a list of private and public funders currently supporting child care providers, scholarships, and training programs in the region
- Support local funders in partnering with area experts to understand current funding gaps and learn how future funding rounds can most effectively support child care in the region

Opportunities for Statewide Coordination

There is opportunity for key entities across the state to document and share of best practices for other regions that successfully foster effective coordination among different funders that build upon the examples below.

Examples of What Local Funders Can Do

Local funders can connect with Child Care Network to learn about what types of funding are needed in their communities, including:

- Contributing to child care scholarship programs that make care more affordable for families
- Supporting the creation of new child care centers or expansion of existing centers through capital investments
- Supporting local child care development and training programs
- Prioritizing investments that address geographic gaps or gaps in types of care provided (e.g., overnight care, weekend care, special needs care)
- Participating in statewide discussions related to coordinated funding efforts on a larger scale

Key Considerations

Coordination is key. Investing only in scholarships, while great at making care affordable for families, does not address the significant gaps in the number of slots available; that can only be increased through capital investments. Understanding what funders are currently supporting is critical to informing how funders new to the space or looking to expand their investment can best leverage their resources.

Tracking Progress

Outputs

- The number of local funders educated and informed on the need for increased investment in child care
- The total number and amount of funding opportunities that are available to child care providers by local governments, area foundations, and other potential funders

Outcomes

- Increase in the number of licensed slots in the region
- Increase in the sustainability of child care providers by reducing the number of owners concerned with keeping their organization operational
- Reduction in the economic burden on families by decreasing the cost of child care charged to families
- Reduction in the disparities in having child care that meets the needs of families between different income levels, racial and ethnic groups, and location within the region

