



MI Tri-Share Pilot Evaluation

Final Report

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MI Tri-Share
CHILD CARE



**PUBLIC SECTOR
CONSULTANTS**

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Executive Summary

Background

Many working families in Michigan struggle to secure the affordable and high-quality child care they need to provide for their families, find and keep jobs, and contribute to the state's economy. When child care is a barrier to employment, families, potential employers, and the state miss out on opportunities for growth and security. While the State has made significant investments in child care in recent years—including the expansion of eligibility for subsidy support—many families, businesses, and providers are still left behind by the current child care funding system.

Traditionally, the financial burden of child care has fallen solely on parents, but the MI Tri-Share Child Care Program (Tri-Share), which launched as a pilot in three regions in March 2021, represents a new and unique approach. By evenly splitting the cost of care between three payers, as shown in Exhibit 1, eligible working families can reduce their costs and enter or remain in the workforce, which benefits everyone.

EXHIBIT 1. MI Tri-Share Funding Split



Since its launch, the pilot has continued to enroll participants and expand to new regions. At this critical stage in the program's development, the Michigan Women's Commission (MWC), which administers the program, partnered with Public Sector Consultants (PSC) to assess Tri-Share processes, operations, and progress towards programmatic objectives. The evaluation will be used for future program development, refinement, and expansion.

Tri-Share Overview

Regional Hub Model

Supported by the MWC, regional facilitator hubs act as an intermediary between the State and the three participants (e.g., employers, families, and child care providers) to manage the pilot's day-to-day operations. The original three sites, which are the primary focus of this evaluation, are listed in Exhibit 2.

EXHIBIT 2. Original Pilot Hubs

Hub	Cities, Counties, or Regions Included	Facilitator Hub
Hubs (Focus of Evaluation)		
1	Lake, Mason, Muskegon, Newaygo, Oceana, and Ottawa Counties	Goodwill Industries of West Michigan

Hub	Cities, Counties, or Regions Included	Facilitator Hub
2	Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Manistee, Leelanau, Missaukee, and Wexford Counties	United Way of Northwest Michigan
3	Arenac, Bay, Clare, Gladwin, Gratiot, Isabella, Midland, and Saginaw Counties	Saginaw Intermediate School District (ISD)

This regional approach allows for flexibility in administration and leverages the hub's unique knowledge of local employer networks and child care needs. For the latter, hub staff have worked closely with local Great Start Collaboratives, which work to align, coordinate, and support early learning systems.

Pilot Objectives, Core Principles, and Eligibility Criteria

Tri-Share's stated objectives are to:

- Make child care affordable and accessible for working parents by reducing out-of-pocket child care costs and alleviating the burden of finding child care
- Help employers retain and attract employees by removing child care affordability as a barrier to employment
- Support provider stability and recruitment by helping to secure reliable payments

In the pursuit of these objectives, the MWC has used a set of core principles to guide pilot development and implementation. Tri-Share would always ensure parental choice in care selection, prioritize reducing participants' administrative burden, and target supports to working families in the ALICE population (Asset Limited, Income Constrained, Employed).

To ensure that the latter was achieved, employees at participating employers are only eligible to receive financial support through Tri-Share for their licensed care if their household income falls within a specific window, which as of publication, is 250 percent to 325 percent of the federal poverty level (FPL).

Evaluation Approach

To conduct a process and outcome evaluation, PSC developed research questions aligned with program objectives and used a mixed-method approach to identify key findings and considerations. More specifically, PSC reviewed available program data and engaged program administrators (e.g., facilitator hubs) and participants (e.g., employees, employers, and providers) through surveys, interviews, and focus groups.

Key Findings and Considerations

The full list of key findings and considerations begins on page 37 but Exhibit 3 provides a high-level summary.

EXHIBIT 3. Summary of Key Findings and Considerations

Process Assessment

Overall, participants of all types are either very satisfied or satisfied with the pilot, the program enrollment and eligibility screening processes, and Tri-Share staff (likely hub staff).

The original three pilot regions have all seen consistent growth in program participation since their launch.

From March 2021 to June 2022, a total of 65 employees from the original three pilot regions have been enrolled in Tri-Share, with 42 ultimately receiving State and employer funds as contributions to their child care costs. A majority living and working in West Michigan (e.g., Muskegon and Ottawa Counties).

Tri-Share supports employees in the ALICE population (244 percent of FPL), with an average monthly gross household income of \$4,843.

Nearly all employee survey respondents were white, non-Hispanic people that have either attended or graduated from college.

Pilot expiration, child care access, limited financial resources, program awareness, and eligibility limits were the most commonly cited barriers preventing employers from offering more slots to employees.

Outcome Assessment

On average, employee participants decreased their monthly child care costs by \$464, or 65 percent.

86 percent of employees strongly agreed that the program made child care more affordable.

82 percent of employees agreed or strongly agreed that Tri-Share makes them more likely to keep working and stay in their current job.

Participating employers are investing an average of over \$250 per month per child care slot, which is a new benefit that the vast majority have never offered before.

A majority of employer survey respondents agreed or strongly agreed that Tri-Share has and will continue to help them retain employees in the future.

Tri-Share's impact on provider sustainability is fairly limited at this stage, especially on staffing, but a majority of provider survey respondents agreed or strongly agreed that participation improved their financial stability.

Key Considerations

Equitable Access: The pilot successfully reduced costs for participating employees in the targeted eligibility criteria. Despite this success reaching ALICE populations, based on survey results, it appears that further efforts could be taken to increase the racial and ethnic diversity of the program.

Recruitment Barriers: This evaluation identified a number of key barriers that are limiting Tri-Share's reach. While some of these are outside MWC control (e.g., lack of company financial resources) or have already been addressed (e.g., fear that the program will not continue), others appear to be influenced by MWC and facilitator hub action.

Expansion Approach: With Tri-Share shifting to a recurring program, the MWC should carefully consider how best to expand the program to ensure a balance between regional flexibility and administrative consistency.

Operational Guidance and Materials: While the MWC has intentionally and regularly facilitated conversation and information sharing amongst hubs, it appears that standardizing elements of the communication, eligibility screening, and enrollment processes could further reduce the administrative burden on hubs.

Introduction

Access to affordable and high-quality child care is critical for parents to remain employed, provide for their families, and contribute to the state’s economic growth and prosperity. Unfortunately, Michigan’s current system of support for families, employers, and child care providers leaves all three groups wanting more. Whether they live or operate in rural, urban, or suburban communities, families often can’t find high-quality and affordable child care, companies are unable to attract and retain the talent they need to grow their businesses, and child care providers are struggling to hire and retain staff and make payroll. Nearly half of all Michiganders—44 percent—live in a child care desert, which is a census tract where there are at least three times as many children under age 5 as there are child care providers (CAP 2022). The COVID-19 pandemic only exacerbated these challenges, with the number of licensed child care providers declining by 735 in 2021 alone (Powell and Chatterjee 2022). Women, particularly women of color and those living with young children, faced the most acute economic impacts of the lack of child care, and have exited the labor force since the onset of the pandemic at higher rates than men, even after controlling for job and demographic factors (Lim and Zabek 2021).

Nearly half of all Michiganders—44 percent—live in a child care desert, which is a census tract where there are at least three times as many children under age 5 as there are child care providers (CAP 2022).

Without affordable, safe, reliable, and quality child care, many of these parents, especially women, are unable to advance their careers, work full time, or participate in the labor force at all. These child care challenges have ripple effects throughout the economy, as employers try and fail to retain existing employees and recruit new workers for open positions.

While the State has made significant investments in child care in recent years, including expanding subsidy support eligibility, too many families, businesses, and providers are still left behind by the current child care funding system. Families are largely responsible for all child care costs. Although they pay high prices, it’s typically barely enough for providers to cover their operational, staffing, and facility costs. The MI Tri-Share Child Care Program represents a new and unique approach to this challenge and was created with bipartisan support in the FY2020–2021 budget. Public and private sector leaders, who pushed for an initial \$1 million appropriation to create Tri-Share, intended the program to disrupt the existing funding model and test a new approach for splitting the total cost of an eligible employee’s child care between a parent, their employer, and the State of Michigan. The hope was that this pilot could help the State determine the level of interest from employers in subsidizing the cost of child care for employees and how to structure the program to work best for employees, employers, and the State of Michigan.

In the 18 months since the pilot launched, it has received an additional \$2.5 million in State funding, as well as philanthropic funds, to support continued growth and expansion into an additional nine pilot regions. Tri-Share has now exited the pilot phase and is a permanent program, but still serves a relatively small number of families. With continued program growth and expansion, the Michigan Women’s Commission, which

administers the program, partnered with Public Sector Consultants to conduct a third-party evaluation at this critical stage in Tri-Share’s development. This evaluation assesses the pilot’s processes and operations, as well as its initial progress towards stated outcomes and objectives. This evaluation is primarily focused on the original three pilot sites during a period from launch (March 2021) to June 30, 2022, but does include an initial assessment and projection for the nine additional regions that have been added since the pilot began.

Tri-Share Overview

History and Administration

The enacting budget language stated the program would be administered by the Michigan Department of Labor and Economic Opportunity (LEO), in consultation with the Michigan Department of Education (Michigan Legislature 2020). The project also had to leverage employer and state support and use a regional implementation approach. The intent was to engage local organizations to serve as designated facilitator hubs to work closely with participating employers, employees, and child care providers. This regional approach allows for flexibility in administration and leverages the hubs’ unique knowledge of local employer networks and child care needs. For the latter, hub staff have worked closely with local Great Start Collaboratives, which work to align, coordinate, and support early learning systems.

The act also required that the three pilot sites should comprise one rural area, one suburban or urban area, and one in the Muskegon area. The MWC, which is staffed by LEO, was selected to lead Tri-Share implementation, guide its strategic direction, establish program guidelines, and lead the pilot site selection process. Exhibit 4 shows the MWC-approved regions and corresponding facilitator hubs.

EXHIBIT 4. Initial Pilot Regions and Facilitator Hubs

Region Name	Cities, Counties, or Regions Included	Facilitator Hub
West Michigan	Lake, Mason, Muskegon, Newaygo, Oceana, and Ottawa Counties	Goodwill Industries of West Michigan
Northwest Lower Michigan	Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, and Wexford Counties	United Way of Northwest Michigan
Bay Area	Arenac, Bay, Clare, Gladwin, Gratiot, Isabella, Midland, and Saginaw Counties	Saginaw ISD

Source: Kica 2021

Each hub currently has its own approach to managing the Tri-Share Program, participant relationships, and task distribution. Of the original three regions, the United Way hub is the only hub led by multiple organizations, while the Saginaw and Goodwill hubs are run by a single organization. The United Way hub divides employer, child care provider, and employee relationships between three people. Goodwill distributes task between the CEO and a coordinator, while the Saginaw hub and staff work together to complete all tasks.

These facilitator hubs were charged with acting as an intermediary between the State, employers, families, and child care providers in the day-to-day management of Tri-Share (MWC 2022). To serve in this capacity, facilitator hubs were provided with grants from MWC and tasked with the following responsibilities:

- Assuming a fiduciary responsibility by making payments to providers that come from employers, employees, and the State
- Communicating Tri-Share goals to the potential participants and the broader community
- Coordinating with participants
- Performing administrative activities (e.g., assessing employee eligibility)
- Facilitating the creation and success of relationships between different the participants
- Providing personalized support to help parents find child care that meets their needs

Core Principles

From the outset, the MWC clearly articulated a set of core principles to guide pilot development. First and foremost, the pilot had to ensure employees have provider choice. While only licensed child care can be supported through this pilot, the MWC implemented the pilot in a manner that centers parental choice and does not allow employers or the State to limit or dictate child care options.

Second, the MWC committed to limiting administrative burden for employers and providers. Facilitator hubs and MWC staff are central to program design and ease program enrollment and payment processing efforts for all participant types. Third, the MWC mitigated child care-related employment barriers within the ALICE population (Asset Limited, Income Constrained, Employed). ALICE families are definitionally in the workforce, but are often underserved by existing local, state, and federal programs.

Participant Types

The Tri-Share Program consists of three¹ core participants:

- Working families (also referred to as employees)
- Employers
- Licensed child care providers (also referred to as providers)

The pilot was designed so that the MWC and the regional facilitator hubs would serve and coordinate services to all three participants. More specifically, with MWC support, each regional facilitator hub would develop and foster partnerships between all three participants to reduce administrative burden, ensure

¹ While the State is one of the three payers in the Tri-Share approach, it administers the program and is therefore not considered a participant for the purposes of this evaluation.



universal understanding of program benefits and requirements, and ensure the smooth processing of payments.

Eligibility and Enrollment

While any employer in a participating region can join Tri-Share, not all families are eligible to participate. A parent must meet several qualifications to receive support through this program.

Employer participation: An employer must agree to participate and sign a memorandum

of understanding with a regional facilitator hub. Any employer can participate in the program and can determine how many employees it is willing to support.

Provider participation: An employee's provider must be licensed and may sign a memorandum of understanding with a regional facilitator hub.

Employee eligibility: An employee must also meet household income-based eligibility requirements, which the MWC established to maximize the Tri-Share pilot's reach and impact by strategically targeting funds. For a parent to be eligible to participate in the program, they must have a household income that falls above the minimum and below the maximum threshold. Originally, these limits were set at a minimum of 150 percent and a maximum of 250 percent of the federal poverty level, but in December 2021, the minimum and maximum thresholds were adjusted to 185 percent and 300 percent, respectively, to reflect the child care subsidy limit increase to 185 percent FPL. Another threshold adjustment to a 200 percent minimum and a 325 percent maximum was implemented in June 2022 because of another increase in child care subsidy criteria. Program guidelines do allow for waivers for households with incomes that exceed the FPL limit, but program data suggests no waivers have been granted during the study period.

The minimum ensures that the employee is not eligible for the Child Development and Care Program, which uses federal funds to subsidize child care costs. Hubs may request, on behalf of employers, a waiver from MWC if higher income eligibility is requested. Employee eligibility is assessed upon initial application and is determined based on family size and total monthly household income of contributing adults living in the home. Once an employee is deemed eligible, they are considered eligible for the entire year, which is how the traditional child care subsidy program operates (MWC 2022). While the pilot has been extended into a permanent program, employee eligibility criteria has yet to be reassessed. As the program exits the pilot phase, the MWC will need to establish a cadence for determining employee eligibility. In alignment with the parental choice core principle, participating families are able to select a different licensed child care provider that meets their needs.

Evaluation Approach

Background

PSC used both quantitative and qualitative methods and tools to ensure a robust and well-rounded assessment of the pilot’s processes and outcomes. The evaluation was also conducted in an inclusive manner with an emphasis on hearing directly from all participant types. While there are now 13 hubs, this report focuses on the first cohort of three² (from March 2021 through June 2022), which are starred in Exhibit 5. Evaluating newer regions could be a focus of future research.

EXHIBIT 5. Hubs

Hub	Cities, Counties, or Regions Included	Facilitator Hub
Original Hubs		
1*	Lake, Mason, Muskegon, Newaygo, Oceana, and Ottawa Counties	Goodwill Industries of West Michigan
2*	Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, and Wexford Counties	United Way of Northwest Michigan
3*	Arenac, Bay, Clare, Gladwin, Gratiot, Isabella, Midland, and Saginaw Counties	Saginaw Intermediate School District (ISD)
Expansion Hubs		
4	Calhoun County	Battle Creek Shared Services Alliances
5	Detroit	Mothering Justice
6	St. Clair County	St. Clair Regional Educational Service Agency (RESA)
7	Kalamazoo County	Southwest Child Care Resources
8	Kent County	Vibrant Futures
9	Shiawassee County	Shiawassee Regional Educational Service District (RESD)
10	Branch, Genesee, Hillsdale, Jackson, Lenawee, Livingston, Monroe, and Washtenaw Counties	Child Care Network
11	Upper Peninsula	Marquette-Alger Regional Educational Service Agency (RESA)
12	Otsego, Crawford, Montmorency, Ogemaw, Roscommon, and Oscoda Counties	Otsego County Economic Alliance, Inc.
13	Detroit	Hope Starts Here/Everybody Ready

² While the evaluation provides hub-level data to better understand pilot operations and strategies, the intent of this evaluation is not to assess comparative performance between regions. There are many factors that impact participation levels and other metrics. See more in Appendix B.

Research Questions

To develop research questions and determine appropriate methods, PSC considered the program's stated objectives (below):

- Make child care affordable and accessible for working parents by reducing out-of-pocket child care costs and alleviating the burden of finding child care
- Help employers retain and attract employees by removing child care affordability as a barrier to employment
- Support provider stability and recruitment by helping to secure reliable payments

These objectives informed guiding research questions for the evaluation, which are outlined in Exhibit 6.

EXHIBIT 6. Research Questions

Research Questions

Process Assessment

Across Participant Types

- What are the social and economic characteristics of program participants?
- What factors are driving and preventing program participation?

Outcome Assessment

Employee

- Does the program change the share of household income spent on child care?

Employers

- What is the program's impact on recruitment?
- What is the program's impact on retention?
- Does the program change employer spending on employee child care?

Providers

- What is the program's impact on provider sustainability?
-

Research Methods

To answer these questions, the evaluation utilized the following methods for data collection and analysis.

- **Program data review:** Data collection efforts included the review of all available program data provided by the MWC and regional facilitator hubs.
- **Participant surveys, focus groups, and interviews:** Current billing participants were invited to take a survey about their experience with the program and were compensated for doing so. Enrolled participants (i.e., those enrolled in the program who are not currently billing to the program) were not included in the survey. Response rates for each participant survey were between 53 percent and 67 percent, depending on participant type.

- **Facilitator hub interviews and focus groups:** In addition to speaking with program participants, the evaluation also included opportunities for facilitator hubs to share their thoughts, ideas, and concerns about the program.

PSC analyzed and combined qualitative and quantitative data from these sources to complete the process and outcome components of the evaluation. Detailed explanations of the evaluation methodology, including evaluation framework, engagement instruments, and data sources are in Appendix A.

Process Assessment

While the blending of household, public, and employer funds to subsize the costs of healthcare and other services is common, it has not been traditionally deployed for child care. Tri-Share represents a unique approach to child care funding without precedent in the state of Michigan. For this reason, it is valuable to carefully analyze program operations and design, assess the impacts of those features, and identify areas for consideration and potential adjustment as the program exits pilot phase and becomes a recurring program.

To guide this analysis, the evaluation centered two process-related research questions:

- **Participant demographics:** What are the social and economic characteristics of program participants?
- **Participant recruitment:** What factors are driving and preventing program participation?

Participant Demographics

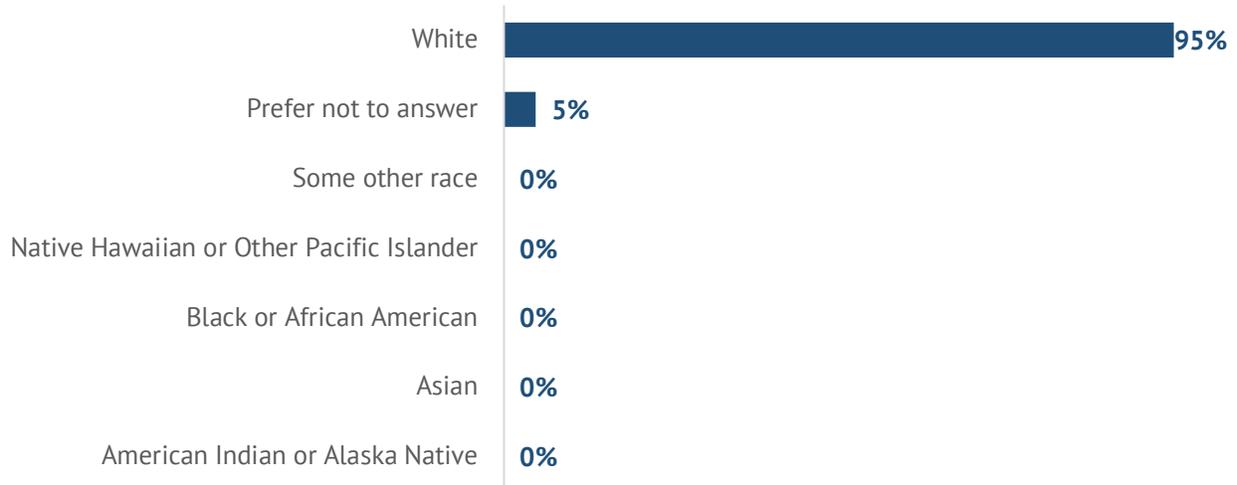
Employees

From March 2021 to June 2022, a total of 65 employees from the original three pilot regions were enrolled in Tri-Share, with 42 ultimately receiving State and employer funds as contributions to their child care costs. The participants are described in this report as all enrolled or all billing employees respectively. Several employees are no longer participating, which leaves 61 enrolled and 40 billing employees as of June 30, 2022. These participants are described as currently enrolled or currently billing employees respectively.

Over half (57 percent) of all enrolled employee participants live in Muskegon County, while 17 percent live in Ottawa County. The remaining enrolled employees are distributed across 12 other counties (Exhibit 7).

Almost all employee survey respondents are white (95 percent), while 5 percent preferred not to answer (Exhibit 9).

EXHIBIT 9. Race of Employee Survey Respondents

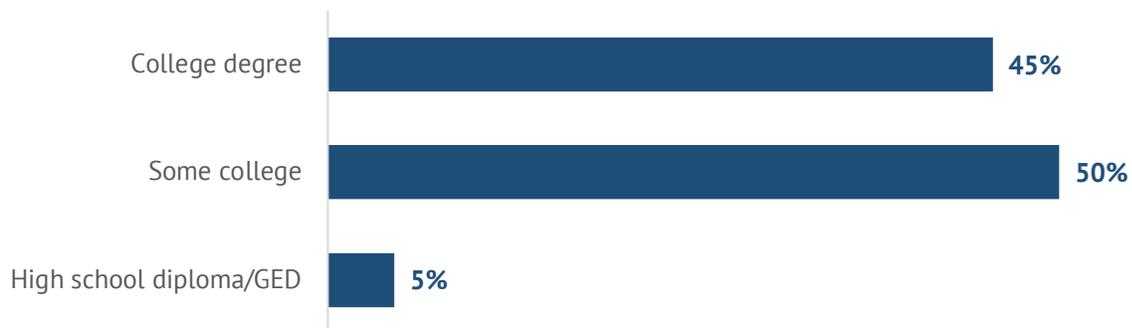


N = 22

Source: Tri-Share Employee Participant Survey data collected and analyzed by PSC

Half of employee survey respondents have some college education, while 45 percent have obtained a college degree (Exhibit 10). Only 5 percent have only a high school diploma/GED.

EXHIBIT 10. Educational Attainment of Employee Survey Respondents

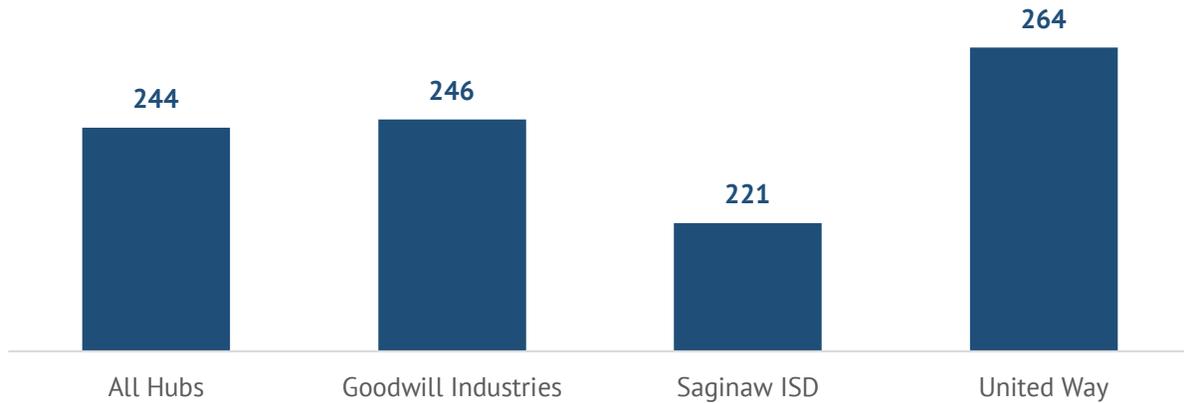


N = 22

Source: Tri-Share Employee Participant Survey data collected and analyzed by PSC

All enrolled employee participants are on average 244 percent above the federal poverty line (Exhibit 11). Employees enrolled through Saginaw ISD are 221 percent above the federal poverty line on average, while employees enrolled through United Way are 264 percent above the federal poverty line, on average.

EXHIBIT 11. Average Percentage Above Federal Poverty Line for Enrolled Employee Participants by Hub



N (all hubs) = 60

N (Goodwill Industries) = 45

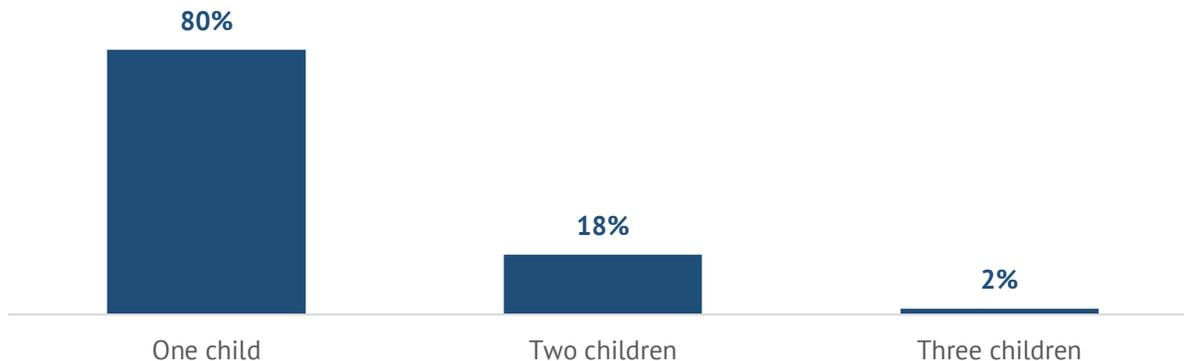
N (Saginaw ISD) = 9

N (United Way) = 6

Source: Monthly program reports analyzed by PSC

Of all enrolled employee participants, 80 percent have only one child participating in the Tri-Share program, while 18 percent have two children participating and 2 percent have three children participating (Exhibit 12).

EXHIBIT 12. Number of Children Enrolled in the Tri-Share Program, All Hubs



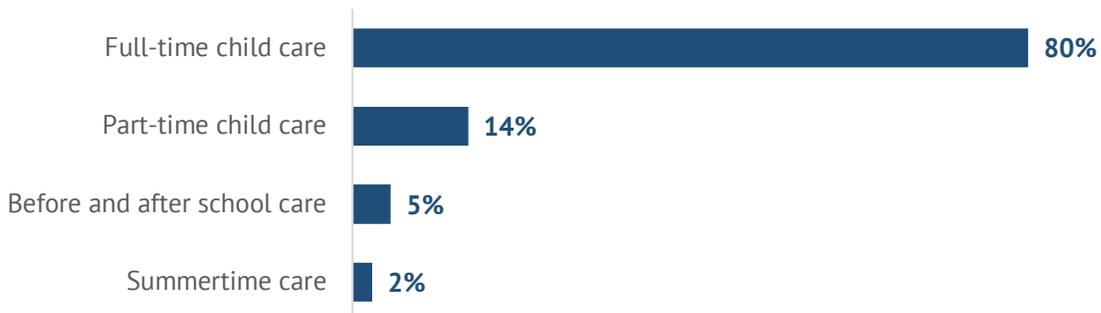
N = 55

Source: Monthly program reports analyzed by PSC



Of all enrolled employee participants, 80 percent have child(ren) in full-time child care, while 14 percent have child(ren) in part-time care (Exhibit 13).

EXHIBIT 13. Type of Child Care Needed by Enrolled Employee Participants, All Hubs



N = 44

Note: Percentages may not add up to 100 due to rounding.

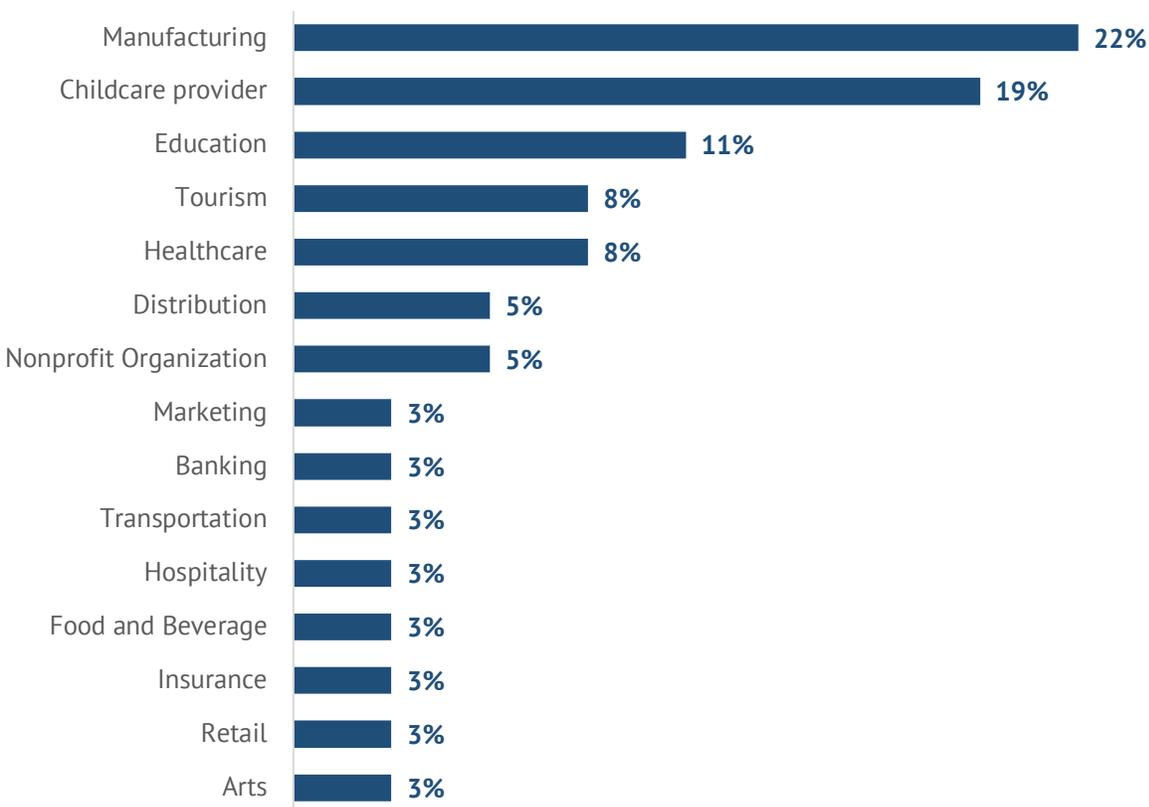
Source: Monthly program reports analyzed by PSC

In addition, employee participant survey respondents shared their satisfaction levels with various aspects of the Tri-Share program, including their interactions with program staff, eligibility screening and enrollment, and the program overall.

Employers

Employers from a variety of industry sectors are participating in the Tri-Share program. Manufacturing companies make up the largest portion of enrollees (22 percent), followed by child care providers (19 percent), and education (11 percent) (Exhibit 14). The size of participating employer companies varied greatly, ranging between five and 1,000 employees.

EXHIBIT 14. Industry Type of Enrolled Employer Participants, All Hubs

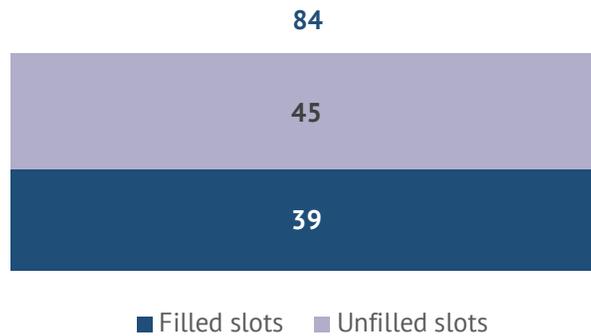


N = 37

Note: Percentages may not add up to 100 due to rounding.

Source: Monthly program reports analyzed by PSC

Employers who participate in the program determine the number of slots they provide to their employees and this information is collected through the monthly hub program reports. Billing employers enrolled through Goodwill Industries or United Way provide on average seven enrollment slots per employer slots. Between the two hubs, 39 enrollment slots are filled out of a total of 84 allocated by the employers, or about 46 percent (Exhibit 15).

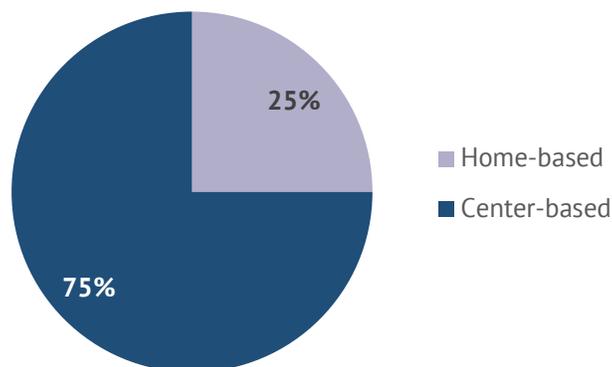
EXHIBIT 15. Number of Enrollment Slots Filled for Billing Employers

Note: Data is shown for Goodwill Industries and United Way. Saginaw ISD does not report on the number of childcare slots filled.
Source: Monthly hub program reports analyzed by PSC

Barriers to greater per employer participation are highlighted in the report’s outcome assessment section on page 25 but include financial capacity, eligibility, pilot expiration fears, and other factors.

Providers

Of participating provider survey respondents, 75 percent operate center-based care facilities. The remaining 25 percent operate home-based centers (Exhibit 16).

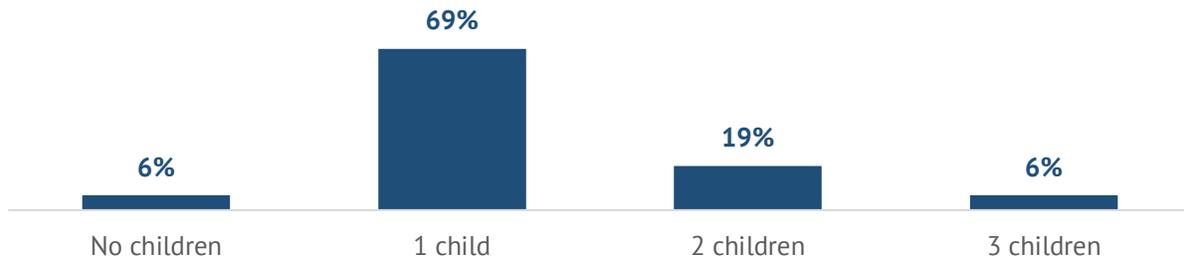
EXHIBIT 16. Type of Participating Child Care Providers

N = 16

Source: Participating Child Care Provider Survey data collected and analyzed by PSC

Many (69 percent) of the provider survey respondents have one child at their center who is served by the Tri-Share program, while 19 percent have two children enrolled, and 6 percent have three children enrolled (Exhibit 17). Only 6 percent of respondents do not have a child enrolled at their center (i.e., the provider is participating in the program but does not have a child in their care who is billing their care to the program).

EXHIBIT 17. Number of Children Enrolled Who Are Served by Tri-Share



N = 16

Source: Participating Child Care Provider Survey data collected and analyzed by PSC

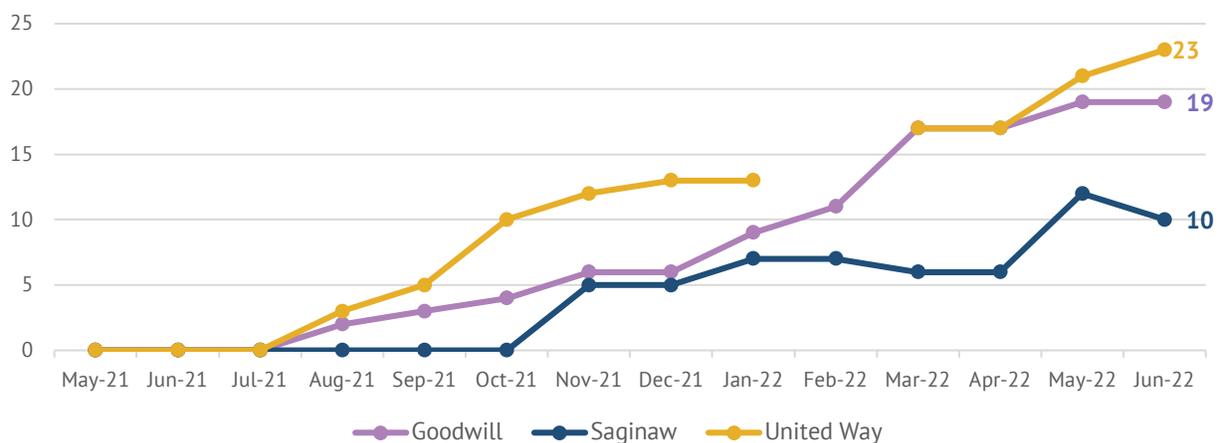
Participant Recruitment

Given that the program has a direct and defined benefit, one of the most critical aspects of the program is recruiting businesses, eligible employees, and willing child care providers.

Participant Growth

Overall, every hub showed a steady increase in participation of employees, employers, and child care providers since the pilot program's launch in May 2021. By the end of June 2022, United Way had 23 employees enrolled in the program, followed by Goodwill Industries with 19 employees, and Saginaw ISD with 10 employees (Exhibit 18).

EXHIBIT 18. Employee Monthly Participation by Hub, May 2021–June 2022

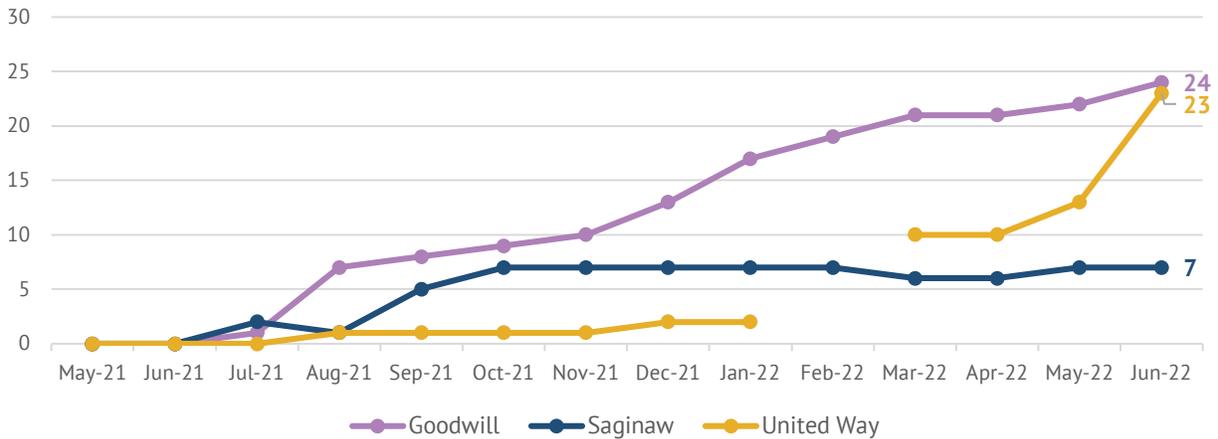


Note: Data was not submitted by United Way for February 2022.

Source: Monthly program reports analyzed by PSC

By the end of June 2022, Goodwill Industries had enrolled 24 employers, while United Way enrolled 23 and Saginaw ISD had enrolled seven (Exhibit 19).

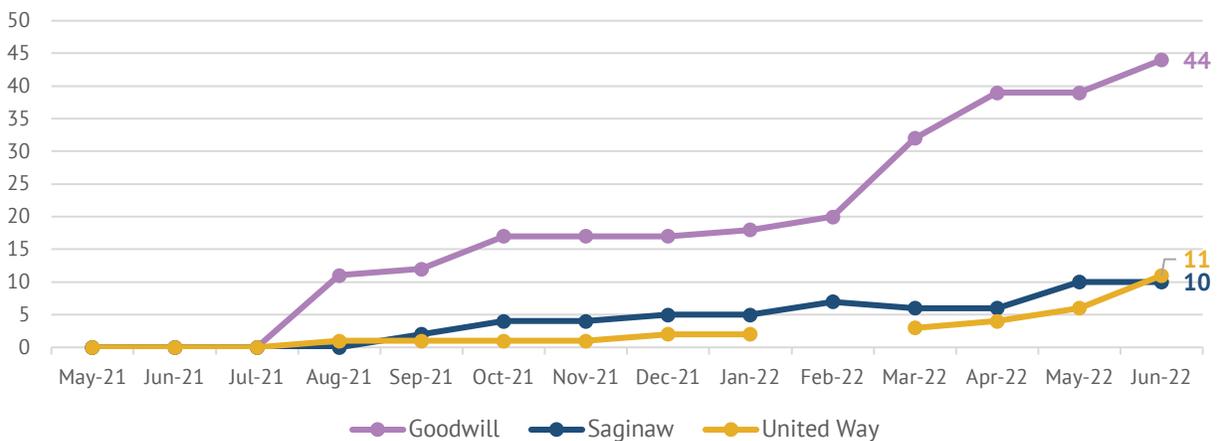
EXHIBIT 19. Employer Monthly Participation by Hub, May 2021–June 2022



Note: No monthly data was submitted for February 2022.
Source: Monthly program report data analyzed by PSC

Goodwill Industries has the largest participation from child care providers, with 44 providers participating in the program at the end of June 2022 (Exhibit 20).

EXHIBIT 20. Provider Monthly Participation by Hub, May 2021–June 2022



Note: Data was not submitted by United Way for February 2022.
Source: Monthly program reports analyzed by PSC

Initial Recruitment Methods

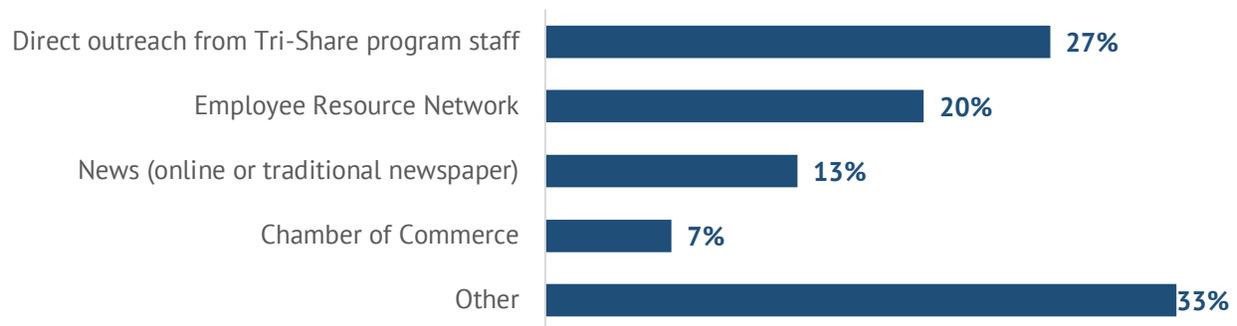
It became clear in interviews and focus groups that hubs take different approaches to participant recruitment. Each experimented with different methods to identify entry points for enrolling employees, employers, and providers.

Despite the hubs' different recruiting tactics, they all started recruitment through businesses, either through direct outreach to individual firms or through presentations and other engagements with business organizations (e.g., Chambers of Commerce, associations, community meetings, etc.).³

All three hubs proactively sought out opportunities to increase awareness of the program. They created materials (e.g., slide presentations, handouts, social media posts, etc.) that were also a part of these outreach efforts.

As shown in Exhibit 21, the "other" response in the employer survey was the most commonly chosen option, with one-third of employers saying they heard about the program through sources such as "company leadership," an association, and other networks and contacts. However, it should be noted that because of the small sample size, these referrals reflect a small count relative to other response categories. Direct contact from program staff (likely hub staff) was the second largest option at 27 percent.

EXHIBIT 21. How Billing Employers Heard About the Tri-Share Program



N = 15

Source: Participating Employer Survey data collected and analyzed by PSC

These survey results align with PSC's qualitative analysis of monthly hub reports, which described the variety of recruitment approaches.

³ It is also worth noting that while employer recruitment was the most commonly used approach, it was not the only strategy. For example, the West Michigan hub also directly targeted child care providers in the region. This approach was based on the idea that through providers they could identify potential employees and connect with their employers to see if they would be willing to participate in the program. There were also cases of employees reaching out directly to the hubs after hearing about the program and asking if hubs could reach out to their employer to see if they might be willing to participate in the program.

Internal Recruitment

Regardless of how an employer learned about the program, once they were successfully engaged and agreed to participate in the program, they then needed to work with hub staff to identify, vet, and enroll employees in available slots. This internal recruiting effort was adjusted based on the employer, but in interviews, several indicated that the best way for them to recruit eligible employees



was by leveraging company leadership and human resources staff to promote the program in staff meetings, emails, and other methods. In addition to these broader internal recruitment efforts, some employers, particularly smaller ones or those only able to enroll a small number of employees, conducted direct outreach to employees that they thought would be eligible based on their wages. The complicating factor that many employers noted was that they were usually unaware of other household wages, so even if their employee earned a wage within the eligibility threshold, many were unable to ultimately participate because their total household income was too high.

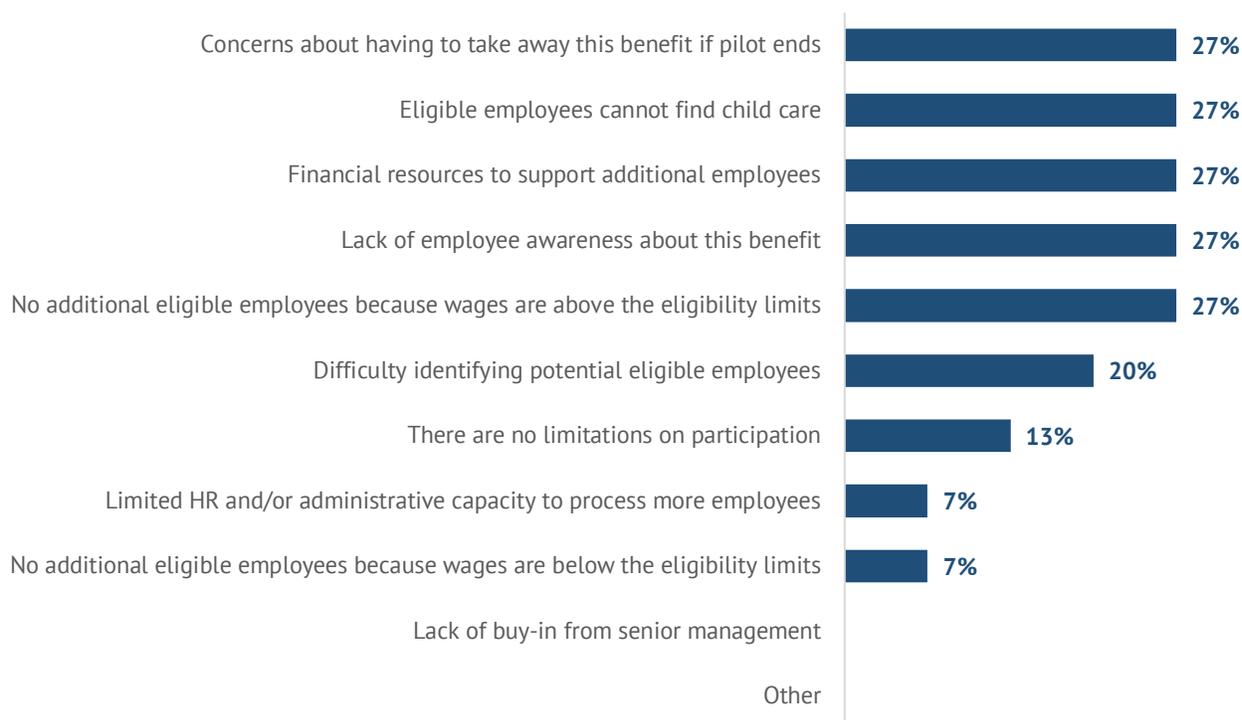
Based on a qualitative analysis of data found in monthly program reports and interviews, employer communication and outreach was the most successful recruitment practice. Hubs that regularly sent communications to employers and worked to educate them about the program had greater success in signing them up for the program. Interviews with employees at the original hubs confirmed that an employer-first approach of recruiting worked best for identifying eligible employees.

Recruitment Barriers

Interested employers are the participants who make the determination about how many child care slots they are willing to support. For this reason, it is important to consider the barriers that may limit the number of slots they offer to employees.

Of the employers who responded to the employer participation survey, there were a number of factors that impact the number of Tri-Share slots they offer to employees. Just over one-quarter (27 percent) shared that they had concerns about having to take away the benefit if the pilot ends, that eligible employees cannot find child care, that financial resources to support additional employees was a factor, there is a lack of awareness about the benefit, and that they didn't have additional eligible employees due to income thresholds (Exhibit 22).

EXHIBIT 22. Factors Impacting the Number of Tri-Share Program Slots Provided by Participating Employers



N = 15

Note: Percentages may total to more than 100 because more than one response was selected.

Source: Tri-Share Employer Participant Survey data collected and analyzed by PSC

Senior management support and human resources capacity were not the major barriers, so it is important to examine why employers were unable to offer more slots for eligible employees. For this reason, it is worth investigating each of these in more detail. They are listed below in no particular order.

- Pilot expiration:** During interviews, several employers, particularly human resources staff, expressed concerns that, as a pilot, the program might be short-lived. They were concerned that the benefit would disappear after a few months or a year and that they were not sure how they would address a potential drop-off in state support. This issue has been mostly addressed through the shift to a recurring program, but it is important to consider this element as a limiting factor that has likely decreased pilot participation by employers to this point.
- Child care access:** As previously noted, access to affordable, high-quality child care is a challenge in Michigan and across the country. Multiple employers noted in interviews that they are ready to provide additional slots to eligible employees, but that employees have been unable to identify a suitable, affordable, licensed child care provider in the area. While Tri-Share does significantly reduce an employee's out-of-pocket cost if they are currently paying for child care, if they are using unlicensed care, then even a one-third share is larger than their existing child care spending.

- **Financial resources:** While senior management support and human resources capacity were not cited as major barriers, a lack of financial resources to fund additional slots was. Even providing one-third of child care expenses for an employee is expensive, an average of \$257 per month, which is more than many other employee benefits. Many employers have eagerly signed up to participate in the program, but there are limits to the financial resources they are able to commit to a child care–related benefit.
- **Program awareness:** During interviews, employers stated that there still is not enough public awareness about the program. They mentioned that local employers and employees are not aware of the program and that this was a barrier for increasing participation rates. It should be noted that addressing this issue has been a feature of recent marketing outreach efforts being led by MWC.
- **Eligibility threshold:** While very few employers cited the eligibility floor as a barrier, many identified the eligibility ceiling as one. In interviews, several employers described excitement about the potential for the program, which led them to sign up quickly, only to find that they had few or no employees who met the eligibility criteria. This frustrating scenario was also noted by hub staff, who worked with the employer to answer all their questions and get them signed up to participate, only to discover that none of their employees were eligible. One factor in determining an employee’s program eligibility is the household income calculation, which assesses the total income of all working adults in the household. Since generally an employer only knows an employee’s wage and not that employee’s household income, employers find it challenging to determine an employee’s program eligibility. Hub staff also indicated their sense that the employers most likely to have the resources and enthusiasm to participate in the program were more likely to pay wages that exceeded the eligibility ceiling. PSC was unable to conduct an analysis to confirm this supposition, but this line of thinking was expressed in multiple interviews and focus groups with hubs, employers, and employees.

Program Operations Issues and Questions

From an administrative perspective, hubs noted a range of common issues and questions they received from participants of all types.

Eligibility

Hubs and participants are regularly discussing whether the income eligibility limit should be increased or eliminated to increase participation. That said, there are concerns that increased eligibility might result in those who are in the most need being left behind, so the pilot would need to think about prioritization. Lastly, multiple participants of all types asked about when employee household income will be reassessed. This will be a larger issue now that Tri-Share has exited a pilot phase and become a recurring program.

Statewide Employers

A common concern from all participant types and hubs is how to handle employers with potentially eligible employees working from offices in different areas throughout the state. There are some statewide employers with staff in counties supported by different hubs or no hub at all. The MWC and hubs have worked together

throughout the pilot to determine ways to find a solution, but as the program continues to grow, the State should consider how best to address this issue because it is likely to become more urgent.

Administrative Funding

A cap on the amount of pilot funding that can be used to support administrative functions for hubs has been identified as a major challenge. Given the unique regional-based and partner-based nature of the pilot design, hubs have varying levels of capacity to accomplish the wide range of tasks they have been charged with (e.g., recruitment, eligibility screening, payment coordination and processing, etc.). A key Tri-Share objective is to reduce the administrative burden for all participant types, and survey data indicates participants are satisfied with the hubs' ability to lead enrollment and eligibility processes. This success has not come without a cost, and several hubs have even begun charging administrative fees in addition to employer contributions to ensure they have the resources to manage all the tasks associated with enrolling and managing program participants.

Tax Implications

In interviews and focus groups, hub staff and participants had questions about legal and tax issues. Each type has slightly different questions about the implications of receiving or providing funds as part of participation in this program. Hub staff, with support from MWC, do their best to offer general information and guidance about this issue, but typically lack the expertise to provide responses to specific, unique questions.

Payment Processing

Employers, hub staff, and employees, mentioned issues associated with processing payments. One specific challenge concerns employers withholding the employee portion of the Tri-Share funding. Since every participating employee has different child care costs, HR staff must determine and accurately withhold unique amounts for each employee. Interviews suggest that this isn't a major issue for larger employers with significant HR resources or smaller firms with few participating employees, but this is an issue to continue to monitor as the program expands. Also, hubs and providers have raised concerns about the reimbursement process to avoid cash flow issues that could arise from issues such as billing cycles or employees exiting the program.

Outcome Assessment

In addition to investigating pilot participants and program operations, PSC sought to understand how Tri-Share performed against its outcome-related objectives.

To guide the analysis, the evaluation centered a number of outcome-centered research questions:

- **Employees:** Does the program change the share of household income spent on child care?

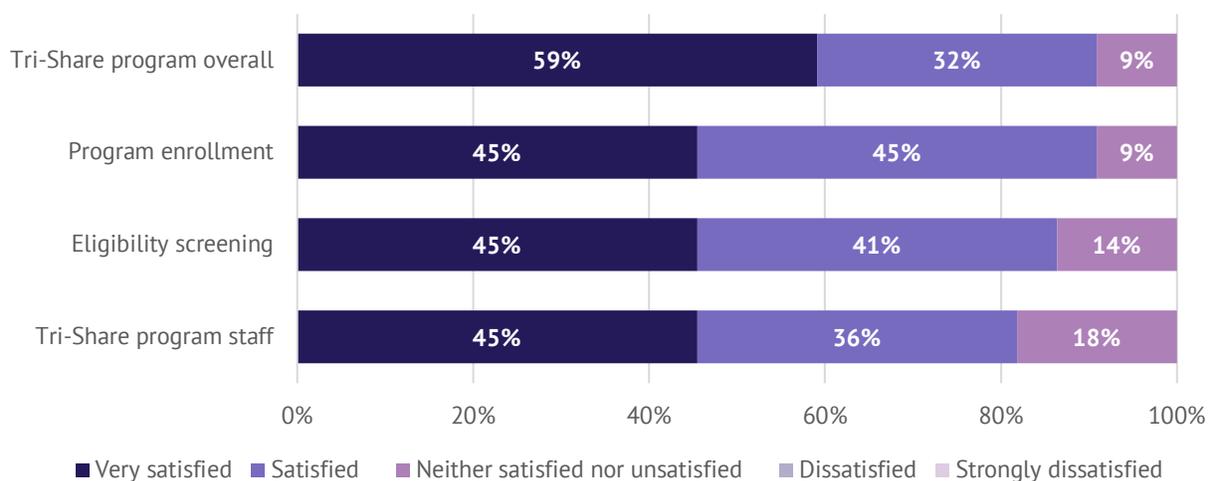
- **Employers:**
 - What is the program’s impact on recruitment?
 - What is the program’s impact on retention?
 - Does the program change employer spending on employee child care?
- **Providers:** What is the program’s impact on provider sustainability?

The evaluation explores research questions in each of the following sections organized by participant type.

Employees

Over half (59 percent) of employee participant survey respondents said that they were very satisfied with the Tri-Share program overall, while 45 percent were very satisfied with the remaining program components (Exhibit 23). No survey respondent reported levels of dissatisfaction with the provided program components.

EXHIBIT 23. Levels of Satisfaction with Tri-Share Program for Employee Survey Respondents



N = 22

Note: Percentages may not add up to 100 due to rounding.

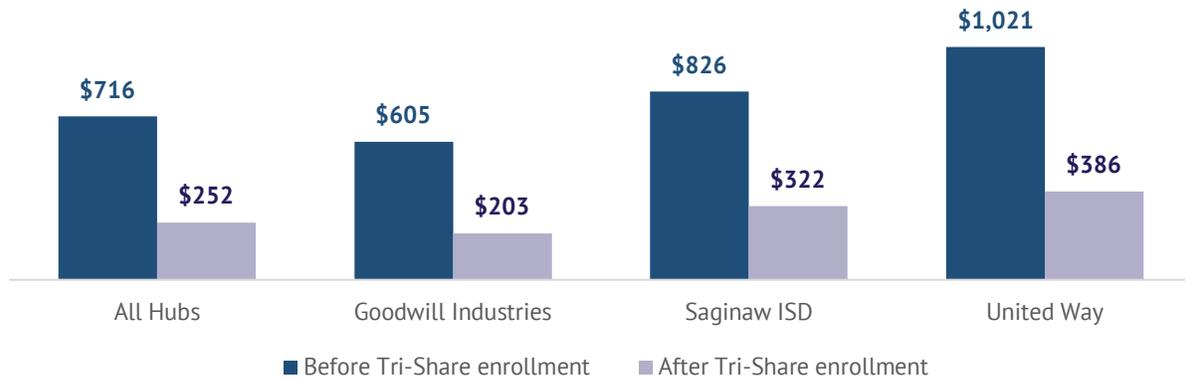
Source: Tri-Share Employee Participant Survey data collected and analyzed by PSC

Impact on Child Care Costs

Tri-Share has a major impact on out-of-pocket child care costs for billing employees. On average, billing employees across all three hubs decreased their monthly child care costs by \$464, or 65 percent (Exhibit 24). For billing employees enrolled through Goodwill Industries, monthly child care costs decreased by \$402, or 66 percent, on average. For billing employees enrolled through Saginaw ISD, monthly child care costs decreased by \$503, or 61 percent, on average. For billing employees enrolled through United Way, monthly child care costs decreased by \$634, or 62 percent. Furthermore, recent changes to Tri-Share standards and

procedures allow for contributions to cover other related child care costs (e.g., enrollment fees) that can lead to larger contribution amounts.

EXHIBIT 24. Changes in Average Monthly Child Care Costs for Billing Employees by Hub

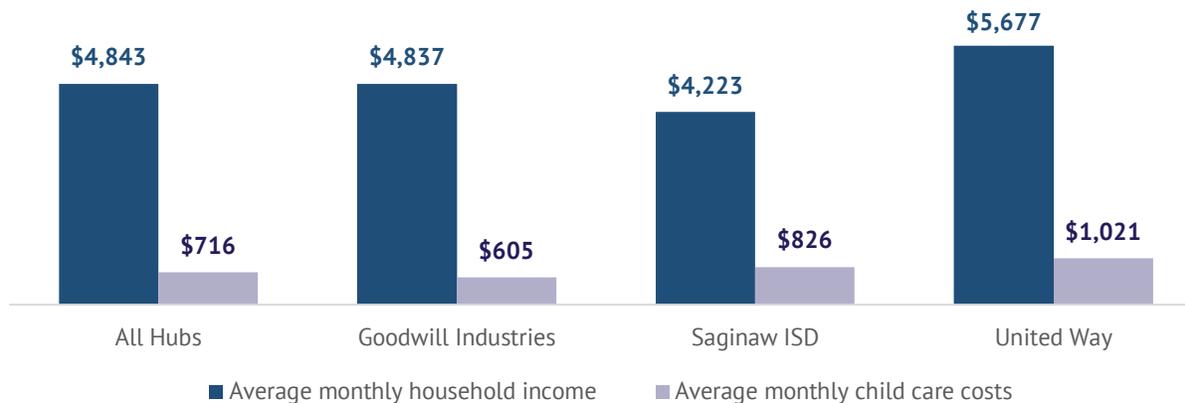


Note: Costs before enrollment are based on self-reported total monthly child care costs by employees. Costs after Tri-Share enrollment are based on the employee contribution once enrolled.

Source: Monthly program reports data analyzed by PSC

For all enrolled employee participants, the average gross monthly household income is \$4,843, while the average total monthly cost of their child care before participating in the program was \$716, making up approximately 15 percent of their total gross monthly income (Exhibit 25). Employee participants enrolled through Goodwill Industries pay on average \$605 per month for child care (13 percent of total gross monthly income) while participants enrolled through United Way pay on average over \$1,000 (18 percent of total gross monthly income) per month for child care.

EXHIBIT 25. Average Gross Monthly Income and Child Care Costs for Enrolled Employees by Hub



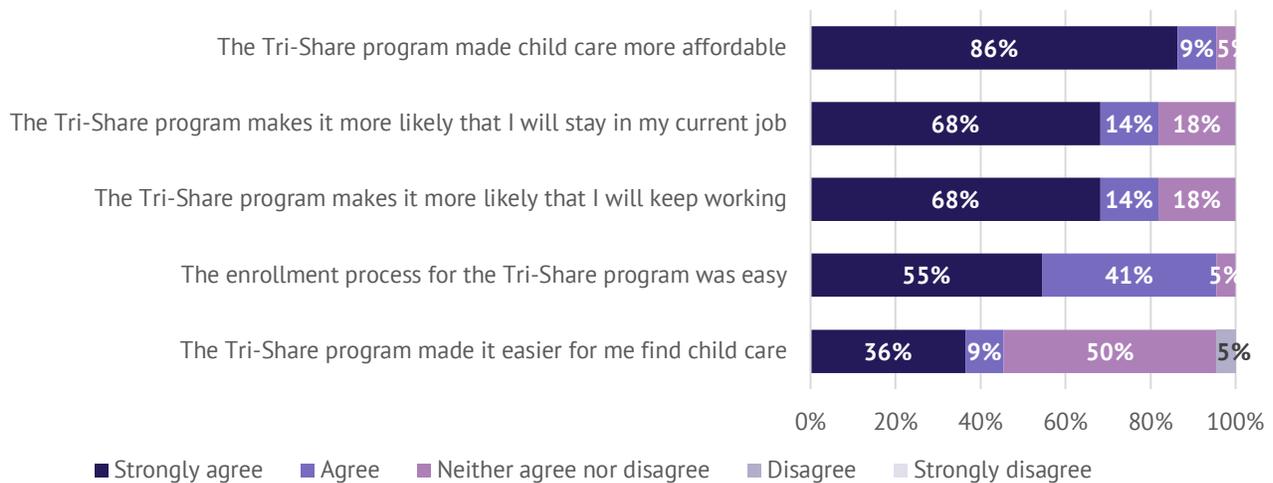
Source: Monthly hub program reports analyzed by PSC

Participating employees noted that this significant reduction in costs had direct impacts on their employment decisions. For example, one employee mentioned in an interview that they switched from part-time to full-time employment while paying less for full-time child care than they did for part-time care because of Tri-Share.

Employee survey respondents shared strong levels of agreement with several outcomes for the program. Eighty-six percent strongly agreed that the program made child care more affordable, 68 percent strongly agreed that they are more likely to stay in their current job and will keep working, and 55 percent strongly agreed that the enrollment for the program was easy (Exhibit 26).

However, only 36 percent strongly agreed that the program made it easier to find child care. Participant interviews and focus groups indicate that the reason for this result is that the majority of enrolled employees already had a child care provider before participating in the program.

EXHIBIT 26. Program Outcomes for Employee Survey Participants



N = 22

Note: Percentages may not add up to 100 due to rounding.

Source: Tri-Share Employee Participant Survey data collected and analyzed by PSC

Impact on Employment and Other Benefits

Interviews and focus groups with participating parents also revealed other benefits, including those related to the household and employment.

From a household financial perspective, nearly all parents noted that the reduction in child care spending allowed them to cover other expenses, such as food, rent, and utilities. This was seen as particularly valuable in the current inflationary environment. All interviewees indicated the profound impact this program had on

their lives, with several mentioning the intense emotional and financial relief they felt when they were approved for a benefit they never thought was possible.

"Tri-Share made it possible for us to purchase our first home."

—Parent on the impact of child care cost reductions

While it appears that Tri-Share had a limited impact on easing the strain of securing child care, interviews and focus group responses suggest that it did have an impact on parental decisions about child care setting and quality. Several parents expressed a sentiment that cost reductions from Tri-Share provided them with the opportunity to consider higher-quality care. One employee mentioned that they sought out higher-quality care for their children because the cost-sharing aspect of the program allowed them to enroll in higher-quality care at a similar price to what they were paying before enrolling in the program. They also noted that they had been relying on unlicensed family because of the total cost of licensed care, but it was more affordable if they only needed to pay for a third of the cost of care. This came up most specifically with regards to summer care, when they had previously relied on family members watching their kids, but Tri-Share allowed them to put their child in what they thought would be a higher quality, educationally enriching environments.

"My kid feels like she is going to Disney World every day."

—Parent on Tri-Share allowing her to select higher-quality summer care

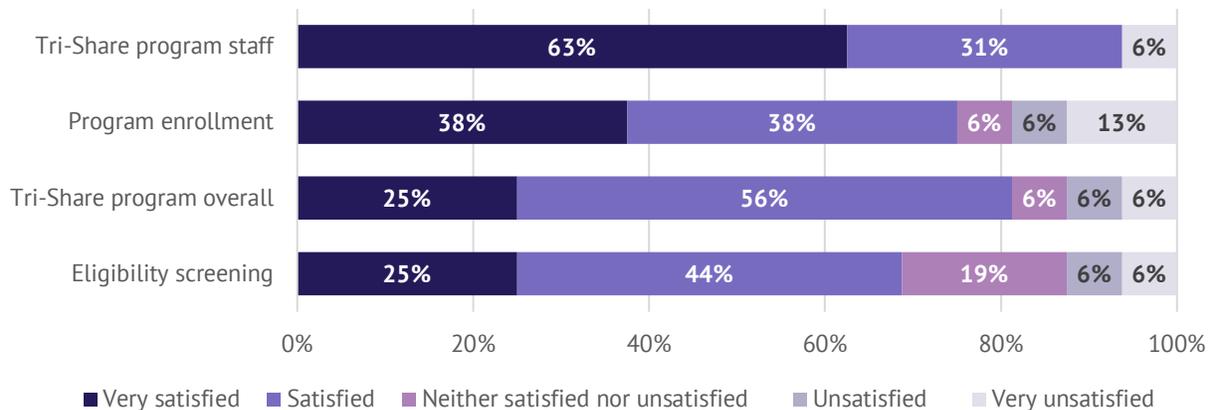
Parents also provided anecdotal evidence that the program had an impact on their relationships with their employers. Participation made many parents feel like their employer became more conscious and understanding of the affordability and reliability issues associated with securing and paying for child care. Tri-Share provides a unique opportunity for employers to engage directly in conversations that many employees felt were valuable, but all too rare. In addition, employees discussed how the program is viewed as an employee benefit and not a public assistance benefit. One employee viewed their employer providing this benefit as a sign that they cared about them, while another viewed their employer as wanting to retain them.

Employers

Tri-Share is intended to increase employer investment in child care and support recruitment and retention efforts. Of employer survey respondents, 93 percent shared they were either very satisfied or satisfied with program staff, while 76 percent were very satisfied or satisfied with program enrollment (Exhibit 27). Only one-quarter of respondents said they were very satisfied with eligibility screenings and the Tri-Share program overall, but a majority were at least satisfied (81 percent and 76 percent, respectively). While most

employers interviewed expressed this satisfaction, several voiced frustrations with the employee eligibility screening process.

EXHIBIT 27. Levels of Satisfaction with Program Components for Employer Survey Respondents



N = 16

Note: Percentages may not add up to 100 due to rounding.

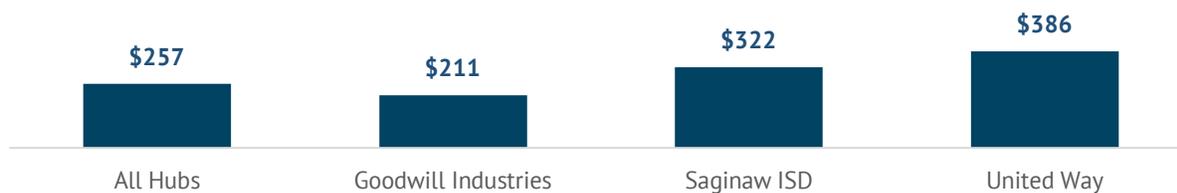
Source: Tri-Share Employer Participant Survey data collected and analyzed by PSC

Impact on Employer Child Care Expenditures

The pilot is clearly leveraging new spending on child care for participating billing employees. In fact, for all billing employer participants, the average monthly contribution per employee was \$257 (Exhibit 28).

Employers enrolled through Goodwill Industries contributed on average \$211 per month per employee, while those enrolled through United Way contributed on average \$386 per month per employee. In addition, Tri-Share operating procedures require employers to pay a minimum one-third of total monthly child care costs but have the flexibility to increase their contribution if desired, resulting in some average monthly contributions to be higher than contributions made by employees and the State.

EXHIBIT 28. Average Monthly Employer Contribution by Hub



N (all hubs) = 42

N (Goodwill Industries) = 28

N (Saginaw ISD) = 8

N (United Way) = 6

Source: Monthly program reports analyzed by PSC

Even before the launch of Tri-Share, employers have recognized that access to affordable child care is an issue that was impacting employee recruitment and retention, but for some, Tri-Share finally provided them with a roadmap for how to address this employment barrier. For others, Tri-Share was a wake-up call for executives about the cost of care and its impact on talent recruitment, particularly in the current labor market. Some employers mentioned that senior leadership was not aware of the cost of child care if they did not have children. They were shocked to learn how much employees spend and that they immediately supported the program.



Over 90 percent of employees indicated that their employer had not previously provided financial support to cover a portion of their child care costs. This suggests that the Tri-Share pilot provides a way for employers to offer a child care benefit. Employers also indicated their sense that the ability to leverage State-matching funds makes the program even more enticing for them because it increases the reach of their investment.

Impact on Employer Recruitment and Retention

Survey results indicate that the majority of employers believe that Tri-Share is already having an impact on retention, and to a lesser degree recruitment. From an employee retention perspective, 62 percent of employer respondents said they believe that the Tri-Share program will help their company retain existing employees in the future, while 63 percent believe the program has helped their company retain existing employees (Exhibit 29). This result indicates that there is confidence that it is already producing retention benefits and that impact is likely to persist into the future. There is also evidence from the employee survey that Tri-Share is likely to improve retention benefits, with 82 percent saying that participation makes it more likely that they will keep working and stay in their current job. This finding was supplemented by interviews as well.

From a talent recruitment perspective, there is more confidence in Tri-Share's future impact, as compared to its current effect. In fact, 69 percent believe the program will help with future recruitment efforts, while only 12 percent believe it has helped recruit new employees.

EXHIBIT 29. Program Outcomes from Participating Employer Survey Respondents



N = 16

Note: Percentages may not add up to 100 due to rounding.

Source: Tri-Share Employer Participant Survey data collected and analyzed by PSC

This recruitment dynamic aligns with the results of the employment survey showing that the fear that pilot expiration would result in having to take away a benefit was a major barrier to entry. In interviews, several employers noted that they wouldn't feel comfortable actively using Tri-Share participant in recruitment efforts because they couldn't guarantee how long it would last. Employers also noted that because they had only an incomplete picture of a potential employee participant's household income (knowing an employee's wage but not their household income), they couldn't promise participation in the program.

While it is likely that Tri-Share will become a larger part of recruitment efforts in the future, in individual cases, some employers were able to leverage Tri-Share participation in the recruitment process. For example, one parent shared that she had rejected a job offer multiple times because the cost of child care for her children would be higher than the wage this potential employer could offer. Then the employer returned offering participation in the Tri-Share pilot, which was the deciding factor for her to re-enter the workforce. This parent explicitly stated that participation in Tri-Share was the only reason she was able to take this position.

Tri-Share highlights the needs that working parents have. Parents should have these options available so that they can be in the workforce full time if they want to. The program opens the conversation about child care.

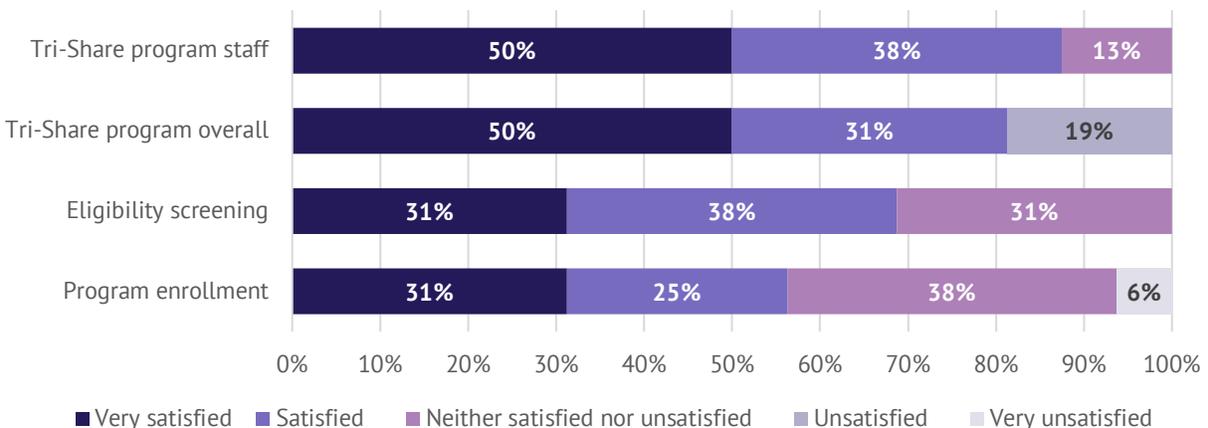
–Employer on how the program creates a workforce solution and starts a conversation about employee child care needs.

Providers

Child care providers are a critical pillar of the Tri-Share program. Without their participation, the program could not function. For this reason, Tri-Share and hub staff have intentionally worked to minimize any administrative or other barriers to participation.

Half of provider survey respondents said they were very satisfied with Tri-Share program staff and the program overall, while 31 percent said they were very satisfied with eligibility screenings and program enrollment (Exhibit 30).

EXHIBIT 30. Levels of Satisfaction with Program Components for Participating Provider Survey Respondents



N = 16

Note: Percentages may not add up to 100 due to rounding.

Source: Participating Child Care Provider Survey data collected and analyzed by PSC

Beyond making it as easy as possible for them to agree to work with Tri-Share, the pilot did set an objective related to improving child care sustainability. Sustainability is a particularly critical outcome to monitor and

influence because despite the high cost for parents, child care providers struggle to stay in business and are leaving the field at an alarming rate. This situation exists across the country and is by no means unique to Michigan, but there was interest in seeing if Tri-Share could have a positive impact on this issue.

Impact on Sustainability

At this time, it appears that Tri-Share is only having limited impact on child care sustainability. Provider survey respondents shared their level of agreement with several of the intended outcomes of the Tri-Share program. Just over half (51 percent) agreed or strongly agreed that serving Tri-Share participants improves their financial stability (Exhibit 31). However, many respondents were neutral as to whether serving Tri-Share participants improves their staffing recruitment or their staffing retention (69 percent and 63 percent, respectively).

EXHIBIT 31. Program Outcomes for Participating Child Care Provider Survey Respondents



N = 16

Note: Percentages may not add up to 100 due to rounding.

Source: Participating Child Care Provider Survey data collected and analyzed by PSC

This result is to be expected, given the short-term nature of the pilot and the finding that most providers are only serving one or two children whose parents are participating in Tri-Share. Further impacting this outcome is the nature of the child care market in these regions. Providers, employees, and hub staff all shared the belief that finding a slot is extremely difficult. The shortage of licensed care means that filling slots is not the primary concern for providers at this time.

While it doesn't appear that the program had a significant positive impact on provider sustainability, it didn't have detrimental effects and did influence other elements of provider decision making. For example, in interviews and focus groups, providers discussed how the Tri-Share program influenced their decisions on which children to accept. Several mentioned that they actively prioritize families that are eligible for child care subsidies or the Tri-Share program because that indicates that they have lower incomes and may be in more need of care.

They increased the amount of child care they were able to afford [because of Tri-Share support]

—Provider on Tri-Share’s impact on parents’ child care choices

It is also worth noting that several providers also decided to participate in the program as employers. Staffing challenges are present across every industry, but recruiting and retaining workers is one of the biggest issues driving child care business closures (Burroughs et al. 2021). Also, providers are acutely aware of how expensive child care is and are often offering wages that would fall within the Tri-Share eligibility window. For these reasons, it appears that this program is well-suited to benefit child care businesses who sign up as employers, as well as providers. Participation as an employer and provider also gave child care businesses, a majority of which are child care centers, an opportunity to rethink the benefits they offer their employees. For example, one child care center shared in an interview that Tri-Share allowed them to shift from offering employees free child care, which was financially unsustainable, to offering Tri-Share slots instead. This allowed them to support their workers’ child care needs in a more sustainable way.

It appears that the program offers greater benefits to employees and employers, but there are likely other targeted tools that the State could implement to improve child care supply and business sustainability.

Looking Forward

While PSC primarily focused the evaluation on assessing the processes and outcomes associated with the original three pilot regions, we also conducted an initial review of participant data for the additional nine hubs that have been added since the original launch. Staff from these hubs also participated in focus groups and interviews to better understand how their experiences differ from staff at the original hubs. These activities aided in PSC understanding the pilot’s progress and also provided an opportunity to see growth trajectories, opportunities, and challenges from a slightly different perspective.

Participant Growth

Exhibit 32 summarizes the billing participants by type as of June 30, 2022.

EXHIBIT 32. Participation by Hub (as of June 30, 2022)

Hub	Area Served	Launch Date	Billing Participants		
			Employees	Employers	Providers
Battle Creek Shared Services Alliances	Calhoun County	October 2021	3	2	3
Mothering Justice	City of Detroit	October 2021	N/A	N/A	N/A
St. Clair RESA	St. Clair County	February 2022	3	1	2

Hub	Area Served	Launch Date	Billing Participants		
			Employees	Employers	Providers
Southwest Child Care Resources	Kalamazoo County	February 2022	1	1	1
Vibrant Futures	Kent County	February 2022	7	3	7
Shiawassee RESD	Shiawassee County	February 2022	3	2	3
Child Care Network	Branch, Genesee, Hillsdale, Jackson, Lenawee, Livingston, Monroe, and Washtenaw Counties	February 2022	N/A	N/A	N/A
Marquette-Alger RESA	Upper Peninsula	February 2022	1	1	1
Otsego County Economic Alliance, Inc	Otsego, Crawford, Montmorency, Ogemaw, Roscommon and Oscoda Counties	February 2022	N/A	N/A	N/A
Everybody Ready	Detroit	May 2022	N/A	N/A	N/A

Source: Monthly program reports analyzed by PSC

Note: Battle Creek Shared Services Alliances, St. Clair RESA, Southwest Child Care Resources, Vibrant Futures, Shiawassee RESD, and Marquette-Alger RESA participant totals are as of June 30, 2022. Mothering Justice, Child Care Network, Otsego County Economic Alliance, Inc., and Everybody Ready have not submitted monthly program report data as of June 30, 2022.

As shown in Exhibit 32, expansion hubs started at slightly different junctures, with several starting in October 2021 and February 2022.

Expansion Hub Engagement Summary

Lessons Learned

- Hub collaboration:** Expansion hubs all discussed the importance of working closely with the original three hubs to learn from their previous experiences. Expansion hubs have been able to easily reach out to more established ones and leverage their expertise, materials, and other supports. Not only were individual outreach opportunities valuable, but the hubs mentioned that the MWC facilitates monthly hub calls, which offer critical opportunities for regular communication and information sharing. Expansion hubs noted that the ability to work closely with their partners made them more confident that they could successfully take on this work.
- Workplace champion:** One hub mentioned the unique value provided by identifying a champion among the workforce of an interested employer. This is helpful not only for securing employer participation, but also for internally recruiting employees. Having an enthusiastic, willing partner at the company, especially if they have a human resources role, was seen as a critical component for establishing partnerships and identifying eligible employees.

Challenges

- **Administrative capacity:** Increasing administrative support for various program components was a common theme in discussions with expansion hub leaders. They identified billing, a lack of standardized materials, and administrative capacity as barriers to the future success of the program. One hub noted how the initial pilot nature of the program made them hesitant to hire staff to support the program. This resulted in some hubs having diminished administrative capacity and remains a concern. Although the program will become funded in the State’s budget, some hubs are worried about not having enough funding to support administrative activities.
- **Billing issues:** Hubs also discussed the difficulties employers have brought to them regarding withholding funds from the various participants to pay providers. For example, one hub stated that they initially believed they had to collect child care cost from each participant and pay providers before they learned that employees could still pay providers directly. Others also noted that some child care providers, particularly home-based providers, lack invoicing and payment processing experience and capacity. For example, if a provider doesn’t have a system for producing invoices, hubs must take on extra work to ensure everything is processed accurately and on time. In addition to the lack of a consensus on the best billing practices, expansion hubs want more standardized materials from the State. This barrier aligns with statements from the original pilot hubs.
- **Scaling:** Hubs noted one source of major concern is whether the program can scale with larger employers. One hub mentioned that larger employers didn’t want to offer the benefit because they would only be able to offer it to a relatively small number of employees, while on the other hand, some larger employers were worried about the cost of offering it to too many of their employees. Hub employees did not offer a solution but noted this as something to be considered as the program expands.

Key Findings and Considerations

Key Findings

Exhibit 34 serves as a summary table highlighting the key findings from each section of the evaluation.

EXHIBIT 34. Summary of Key Findings

Process Assessment

From March 2021 to June 2022, a total of 65 employees from the original three pilot regions have been enrolled in Tri-Share, with 42 ultimately receiving State and employer funds as contributions to their child care costs. The program is currently leveraging funding to support child care for 42 working families, with the majority living and working in West Michigan (e.g., Muskegon and Ottawa Counties).

Tri-Share is supporting employees in the ALICE population (244 percent of FPL), with an average monthly gross household income of \$4,843.

Over 50 percent of employee survey respondents indicated that they are between the ages of 35 and 44, with another 38 percent stating that they were between 25 and 34 years old.

Nearly all employee survey respondents were white, non-Hispanic people that have either attended or graduated from college.

Three-quarters of the participating providers are center based, with the remainder being home-based.

The original three pilot regions have all seen consistent growth in program participation since their launch.

The primary approach that hubs have utilized to increase participation has been proactive employer engagement, but all hubs have attempted to engage all types of potential participants through various outreach methods (e.g., social media, presentations, handouts and other materials, etc.).

Employer communication and outreach was the most successful recruitment practice.

Most employers heard about the program through their networks and direct outreach from program staff.

Pilot expiration, child care access, limited financial resources, program awareness, and eligibility limits were the most commonly cited barriers preventing employers from offering more slots to employees.

To maximize its reach and impact, the State should develop consistent and proactive strategies to address a range of administrative and operational issues.

Outcome Assessment

Overall, participants of all types are either very satisfied or satisfied with the pilot, the program enrollment and eligibility screening processes, and Tri-Share staff (likely hub staff).

The monthly child care costs for billing employee participants across all three hubs decreased by \$464, or 65 percent.

86 percent of employees strongly agreed that the program made child care more affordable.

82 percent of employees agreed or strongly agreed that Tri-Share makes them more likely to keep working and stay in their current job.

Tri-Share had a direct impact on employment and child care setting decisions for some parents.

Billing participating employers are investing an average of over \$250 per month per child care slot, which is a new benefit that the vast majority have never offered before.

A majority of employer survey respondents agreed or strongly agreed that Tri-Share has and will continue to help them retain employees in the future.

Tri-Share's impact on provider sustainability is fairly limited at this stage, especially on staffing, but a majority of provider survey respondents agreed or strongly agreed that participation improved their financial stability.

Providers that also enrolled as employers are seeing benefits from their dual participation.

Key Considerations

In conclusion, PSC has identified the following issues and opportunities for future consideration.

- **Equitable access:** The pilot successfully reduced costs for participating employees in the targeted eligibility criteria. Despite this success in reaching ALICE populations, based on survey results, it appears that further efforts could be taken to increase the racial and ethnic diversity of the program.
- **Eligibility and enrollment:** The existing criteria, which has changed with shifts in child care subsidy limits, appears to be one of the major factors limiting participation. If more resources are available to

Tri-Share as it becomes a recurring program, the MWC should seriously consider whether the eligibility limit has been set high enough. Multiple hubs recommended that the household income limit be removed, but that may result in additional equity concerns. Short of removing that limit, the MWC could consider providing more waivers, or setting a variance to allow for some additional latitude.

- **Recruitment barriers:** This evaluation identified a number of key barriers limiting Tri-Share's reach. While some of these fall outside of MWC control (e.g., lack of company financial resources) or have already been addressed (e.g., fear the program will not continue), but others appear to be influenced by MWC and facilitator hub action. For example, to increase program awareness, hubs noted that there is a statewide outreach campaign that could educate the public, employer networks, and child care providers about Tri-Share. Broader regional and statewide partnerships with business organizations might also increase awareness and bring more employers into the program.
- **Program administration:** With Tri-Share shifting to a recurring program, the MWC should carefully consider how best to expand the program to ensure a balance between regional flexibility and administrative consistency. There are clearly benefits to the regional hub model, especially during a pilot phase, but it does create challenges for employers with eligible staff in different regions of the state. The expansion of additional hubs has now stretched to the vast majority of the state, but having a dozen or more facilitator hubs will also put additional administrative pressure on the MWC and the hubs themselves.
- **Data collection:** The State and hubs should continue to collect data to allow for regular program evaluation. Continuing to require regular monthly hub reports is critical for tracking progress and identifying opportunities and challenges. There may also be additional metrics that could be included, such as referrals to the federal child care subsidy, that could further the understanding of Tri-Share's impact.
- **Operational guidance and materials:** While the MWC has intentionally and regularly facilitated conversation and information sharing amongst hubs, it appears that standardizing elements of the communication, eligibility screening, and enrollment processes could further reduce the administrative burden on hubs as the pilot shifts to a recurring program. For example, each hub is using a slightly different method for gathering employee information to determine eligibility, which provided a valuable opportunity for experimentation during Tri-Share's pilot phase but could be streamlined in the future. As the program continues to expand and evolve, having a single method for collecting and vetting this information could be beneficial. Similarly, language to answer general legal and tax questions could be standardized and provided to hubs. The MWC should consider building on existing pilot materials and formalizing program guidelines, rules, and other guidance materials for hubs and participants as the program becomes more permanent. Application forms are another area that needs to be addressed. The three original hubs all use different forms and application sites, so there is also a desire for the state to provide universal application documents for hubs.

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Appendix A. Evaluation Framework and Methodology

PSC has developed a plan to assess the program’s processes and outcomes for all three participants using the evaluation framework in Exhibit A1.

EXHIBIT A1. Evaluation Framework

Pilot Objectives	Research Questions	Metrics	Data Sources
<ul style="list-style-type: none"> • Make child care affordable and accessible for working families • Help employers retain and attract employees • Help child care providers secure slots 	<ul style="list-style-type: none"> • What are the social and economic characteristics of program participants? • What factors are driving and preventing program participation? • Does the program change the share of household income spent on child care? • What is the program’s impact on recruitment? • What is the program’s impact on retention? • Does the program change employer spending on employee child care? • What is the program’s impact on provider sustainability? 	<ul style="list-style-type: none"> • Demographic and company data from participants and administrators • Descriptions by participants and administrators • Household income • Child care spending • Perceived recruitment impact • Perceived retention impact • Employer expenditures • Perceived staffing and financial impact 	<ul style="list-style-type: none"> • Monthly hub data reports (including both qualitative narrative reports and quantitative participation data) • Tri-Share guidelines and other pilot materials • Interviews <ul style="list-style-type: none"> • Employees • Employers • Providers • Hub staff • Focus groups <ul style="list-style-type: none"> • Employees • Employers • Providers • Hub staff • Participant survey <ul style="list-style-type: none"> • Employees • Employers • Providers

To complete this evaluation, PSC executed the workplan outlined in Exhibit A2.

EXHIBIT A2. Evaluation Workplan

Phase	April	May	June	July	Aug.	Sep.	Oct.
Evaluation Planning							
Data Collection							
Data Analysis							
Report Development							

Appendix B. Participant Engagement Process and Results

PSC supplemented and expanded on the program data provided by Tri-Share through a sequenced and targeted engagement strategy that used interviews, focus groups, and surveys to reach all participant types.

Participant Surveys (June and July 2022)

Informed by interviews with hub staff, as well as several with Tri-Share program staff, PSC developed, programmed, tested, fielded, and analyzed three surveys (one for each participant type). Only participants that were billing, providing, or receiving funds were sent a survey. All three surveys launched on June 22 and were in the field until July 18. The vast majority of surveys were completed online, but one participant completed a paper survey. To increase participation, employee and provider participants were provided with a \$25 online gift card. Employers were not provided an incentive because it was determined that participating in this type of survey could be considered part of a human resource professional's regular work.

A summary of survey participation is featured in Exhibit B1.

EXHIBIT B1. Survey Responses and rates

Survey	Responses	Response Rate
Employee	22	67%
Employer	16	53%
Provider	17	59%

Source: PSC analysis of participant surveys

Instruments for each survey are included in Appendix C.

Participant Focus Groups and Interviews (July and August 2022)

All three participant surveys included a final question asking the respondent if they would be interested in participating in a follow-up focus group with fellow participants to provide greater insight and depth on Tri-Share operations and performance. This question also noted that participants would be compensated with a \$50 online gift card if they participated in a focus group. PSC reached out to all that indicated interest to identify availability and conducted sessions for each participant type. Several interested participants were unable to join focus groups, so PSC set up individual interviews to ensure their thoughts and perspectives could inform the evaluation.

Exhibit B2 summarizes PSC's engagement through focus groups and interviews.

EXHIBIT B2. Focus group and interview participant

Participant Type	Focus Group and Interview Participants	Percent of Potential Participants
Employee	4	18%
Employer	5	31%
Provider	3	18%

Source: PSC focus group and interview notes

Questions for these sessions are available in Appendix C.

Appendix C. Participant Engagement Instruments

The instruments used for surveys, as well as focus groups and interviews, are included below.

Participant Surveys

Employees

1. How many children in your household receive or received care through the Tri-Share program and what are their ages?
2. How many children do you have in your household and what are their ages?
3. How much did you pay for child care each month *before* participating in the Tri-Share program?
4. How much do or did you pay for child care each month *while* participating in the Tri-Share program?
5. Before participating in the Tri-Share program, was your employer paying some or all of your child care costs? If yes, how much did your employer pay per month?
6. Please indicate your level of agreement with the following statements (strongly agree, agree, neither agree nor disagree, disagree, strongly disagree).
 - The Tri-Share program made child care more affordable.
 - The Tri-Share program makes it more likely that I will keep working.
 - The Tri-Share program makes it more likely that I will stay in my current job.
 - The Tri-Share program made it easier for me find child care.
 - The enrollment process for the Tri-Share program was easy.
7. Did you have to change your child care provider because you were participating in the Tri-Share program? If yes, please explain how and/or why?
8. Please rate your level of satisfaction with these elements of the Tri-Share program (very satisfied, satisfied, neither satisfied nor unsatisfied, unsatisfied, very unsatisfied).
 - Tri-Share program staff
 - Eligibility screening
 - Program enrollment
 - Tri-Share program overall
9. What county do you live in?
10. What is your age?
11. What is your race? (Select all that apply)
 - White
 - Black or African American
 - American Indian or Alaska Native
 - Asian
 - Native Hawaiian or Other Pacific Islander
 - Other
 - Prefer not to answer

12. What is your ethnicity?:
 - Hispanic or Latino
 - Not Hispanic or Latino
 - Prefer not to answer
13. What is the highest degree or level of school you have completed?
 - No schooling completed
 - Some high school, but no high school diploma/GED
 - High school diploma/GED
 - Some college, but no degree
 - College degree (for example: Associate's degree, Bachelor's degree, Graduate degree)
14. How did you hear about the Tri-Share program?
 - Employer
 - Child care provider
 - Colleague
 - Social media (e.g., Facebook, Instagram, Twitter, etc.)
 - News (online or traditional newspaper)
 - Other [Text box]
15. Would you like to share additional comments about Tri-Share or how the program could be improved?
16. To gain additional information and insights about Tri-Share, there will be several virtual 90-minute focus groups. These focus groups will include four to six participants, who will each receive a \$50 gift card at the conclusion of the session. Would you be interested in participating in a focus group?

Employers

1. How many Michigan locations does the company have?
2. How many locations are or were previously participating in Tri-Share?
3. To the best of your knowledge, did the company pay for any amount of employee child care in the five years before participating in Tri-Share?
4. Please rate your level of satisfaction with these elements of the Tri-Share program (very satisfied, satisfied, neither satisfied nor unsatisfied, unsatisfied, very unsatisfied):
 - Tri-Share program staff
 - Eligibility screening
 - Program enrollment
 - Tri-Share program overall
5. Please indicate your level of agreement with the following statements:
 - The Tri-Share program has helped the company recruit new employees.
 - The Tri-Share program has helped the company retain existing employees.
 - I believe that the Tri-Share program will help the company recruit new employees in the future.
 - I believe that the Tri-Share program will help the company retain existing employees in the future.

6. How likely is it you will continue subsidizing the child care costs of your employees if the State of Michigan does not extend the Tri-Share pilot program (not at all likely, not very likely, somewhat likely, very likely, extremely likely).
7. What factors, if any, impact the number of Tri-Share slots your company provides or provided to employees? Select all that apply.
 - Financial resources to support additional employees
 - No additional eligible employees because wages are above the eligibility limits
 - No additional eligible employees because wages are below the eligibility limits
 - Concerns about having to take away this benefit if pilot ends
 - Limited HR and/or administrative capacity to process more employees
 - Lack of buy-in from senior management (Executive Director, Board of Directors, CEO, etc.)
 - Lack of employee awareness about this benefit
 - Difficulty identifying potential eligible employees
 - Eligible employees cannot find child care
 - Other 1, Please describe [Text box]
 - Other 2, Please describe [Text box]
 - There are no limitations on participation
8. Please provide any additional context you would like to share about any of the factors you have selected in the previous question.
9. How did you hear about the Tri-Share program?
 - Employee
 - Direct outreach from Tri-Share program staff
 - Chamber of Commerce
 - Employee Resource Network
 - Trade association
 - Another participating business
 - Social media (e.g., Facebook, Instagram, Twitter, etc.)
 - News (online or traditional newspaper)
 - Other [Text box]
10. Would you like to share additional comments about Tri-Share or how the program could be improved?
11. To gain additional information and insights about Tri-Share, there will be an opportunity to participate in a virtual 90-minute focus group. These focus groups will include four to six participants, who will each receive a \$50 gift card at the conclusion of the session. Would you be interested in participating in a focus group?

Providers

1. Child care business type:
 - Home-based
 - Center-based
 - Other [text box]
2. On average, how many children in the Tri-Share program are cared for in your facility each day?
3. In general, what types of support could you use to improve the quality of child care you offer?
4. Please indicate your level of agreement with the following statements (strongly agree, agree, neither agree nor disagree, disagree, strongly disagree)
 - Serving Tri-Share participants improves our financial stability.
 - Serving Tri-Share participants improves our staffing recruitment.
 - Serving Tri-Share participants improves our staffing retention.
5. Please indicate your level of satisfaction with each of the following program elements (very satisfied, satisfied, neither satisfied nor unsatisfied, unsatisfied, very unsatisfied):
 - Tri-Share program staff
 - Eligibility screening
 - Program enrollment
 - Tri-Share program overall
6. Would you like to share additional comments about Tri-Share or how the program could be improved?
7. To gain additional information and insights about Tri-Share, there will be an opportunity to participate in a virtual 90-minute focus group. These focus groups will include four to six participants, who will each receive a \$50 gift card at the conclusion of the session. Would you be interested in participating in a focus group?

Participant Focus Group and Interview Guide

Employers

1. Tell me about your place of employment (line of business, location, number of employees)?
2. How many slots/places for the program?
3. What challenges does childcare pose for you as an employer?
4. How long have you participated in this program? How did you find out about this program?
 - Did you receive any marketing materials? Effectiveness?
 - How did you share it with employees?
 - How do you identify employees who may be interested in participating?
 - How are you doing enrollment/screening? (Is this a problem area?)
 - Do you have unfilled slots? Why?

5. The survey indicated that these were the largest barriers to enrolling more employees in the program. Do those seem like the major issues to you and what stands out most out to you from this group?
6. Financial resources to support additional employees
 - No additional eligible employees because wages are above the eligibility limits
 - Lack of employee awareness about this benefit
 - Eligible employees cannot find childcare
 - Concerns about having to take away this benefit if pilot ends
7. What changes have you noticed in employees as a result of this program?
 - Does this program help work performance/absenteeism?
 - How has this helped retention?
8. What changes have you had to make to your policies because of this program?
9. How has this program changed your view of childcare?
 - Their attitudes, understanding of employee work/life balance
10. How does leadership/employees view this program?
 - Are there some not participating? Why?
11. What challenges has this program resolved for you as a business?
12. Is there anything you'd change in the program?
 - Are there ways this could help recruit employees?

Employees

1. Tell me about where you live/work and your children?
 - Did you already have childcare?
2. How long have you participated in this program? How did you find out about this program?
 - How did your employer share it with you?
3. What changed for your family when you were accepted into the program?
 - Has the program changed the way you spend and/or save money?
4. What, if anything, did this program change about your work situation (e.g., taking job, staying in job, taking time off, calling sick, etc.)?
5. Did this program have any impact on where your kid(s) go for child care?
6. Did Tri-Share provide you with an opportunity to seek higher quality childcare?
7. What changes have you seen in your employer getting more involved in childcare?
8. How do your work colleagues view this program?
9. There's lots of factors that go into why people stay at a job. How does this program impact your decision to stay?
10. Is there anything you'd change in the program?

Provider

1. Tell me about your child care work? Do you work in a home-based or center-based setting?
2. How many children do you serve? What ages?
3. Are you part of the state's Quality Rating Improvement System (QRIS) system?
4. How do you feel about the Tri-Share program? If it were extended beyond a pilot, do you think it would have an impact on your business, pricing, staffing?
5. We have heard from parents that having lower costs for child care has encouraged them to seek higher-quality care or additional summer or after school care. Based on your experience, does that seem like a likely outcome if the program continues?
 - For participants using tri-share, are you seeing changes in how they utilize child care?
6. What are the biggest challenges for your business related to quality improvement? Is there any type of support through this program that could support those efforts?
7. Is there anything you would change about the program?



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