

Early Childhood Education and Child Care in Michigan

Betty Tableman, Rosalind Kirk & Esther Onaga

The Population of Young Children Age 0–5

Michigan has 672,000 children ages 0–5 years old. Of these children, 60 percent of have both parents in the workforce,¹ and 20 percent are in families with incomes at or below the federally defined poverty level.²

Early Childhood Education and Care

Early childhood education and care is already a multi-billion dollar industry in Michigan. The regional economic importance of this industry can be assessed by measuring the size of the child care sector itself (i.e. the number and type of providers (businesses), the number of employees (labor force), the number of children served (the child care sector's 'product'), and the number of parents served (the child care market)). The gross receipts of the sector are fees (times enrollment) plus direct government payments for care. Economic developers typically assess economic sectors by their gross receipts, employment and market. The child care sector needs to be able to present itself in these terms.³ Some, but not all, of this information is currently available for Michigan.

- It is estimated that parents spend \$2.1 billion annually on child care in Michigan.⁴ It is a necessity for many, but also a major household expense for young families.
- The State of Michigan spends around \$560 million for early childhood education and care.
- The State spent around \$85 million in state funds on the Michigan School Readiness Program⁵ (MSRP) for low-income 4-year-olds in 2002-03.
- Michigan spent \$475 million in state and federal funds on subsidies for childcare in 2003. The subsidy is available for parents with incomes up to 152% of the federal poverty level, if they are in training, completing high school, working, or obtaining medical treatment.
- \$248 million in funding (80 percent federal funds and 20 percent local and state match) was spent on Head Start and Early Head Start (including Migrant and Tribal programs) in 2004.⁶

Characteristics

Early childhood education and child care services in Michigan, like elsewhere in the USA, form a fragmented array of services that serve a variety of purposes. Various types of services are subject to different levels of quality standards. Funding streams can be diverse and are subject to various federal and state rules and requirements.

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Availability of Early Childhood Care and Education (See Table 1)

In Michigan, early childhood education and care is received in six other types of out-of-home settings, beyond care by relatives:

- **Head Start and Early Head Start**, operated mainly by Community Action Agencies and school districts under federal funding.
- **Michigan School Readiness Programs (MSRP)**, operated by school districts and community agencies with state funding.
- **Licensed child day care centers**, operated by for-profit and non-profit organizations.
- **Licensed (day care) group homes**, for between 7 and 12 children.
- **Registered family day care homes**, for up to 6 children.
- **Special education preschool classrooms**, for some 3-5 year old children with disabilities.

In addition, informal and subsidized care is provided by friends and relatives in their homes to 21,328 children and by aides in children's own homes to 16,612 children.

Quality

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Only Head Start/Early Head Start and MSRP operate under governmentally established standards that promote quality. Michigan ranks very low among the states in a number of current licensure requirements.⁷ Although a total of 227 child care centers and group homes in Michigan are accredited, meeting quality requirements set by the National Association for the Education of Young Children, this includes a substantial number of both Head Start and MSRP grantees. Another body accredits family homes, although the relative numbers of accredited programs are also small.

Approximately \$309 million was spent in 2003 by the State of Michigan on subsidized care provided by relatives and daycare aides.

State-administered subsidies for child care were not developed with quality in mind. While the state child care subsidy is available for approved out-of-home care in licensed settings or registered family day care homes, because of the low reimbursement rate, 60 percent of children under subsidy are cared for by relatives or by aides. Rates are determined based on income, number and age of children, type of facility, and geographic location. Approximately two-thirds (\$309 million) of the \$475 million spent in 2003 by the State on subsidized care was spent on care provided by relatives and daycare aides.⁸

Issues

Although we do not know the precise demand for early childhood services in Michigan, it does not appear to currently meet the needs of many who seek these services.

- There are a limited number of out-of-home slots in regulated settings and wide variability in sites that meet parental preferences for type of care, income eligibility, suitability of hours, location and/or quality.
- The quality of services is highly variable and only a minority of sites operate under specified quality standards.
- Licensing requirements are lower in respect to some requirements enforced by other states. For example, Michigan is the ONLY state with no pre-service or annual training requirements for center caregivers.¹
- The staff of licensing consultants is stretched with a high number of facilities per consultant. Michigan's ratio is 1:307—the 4th worst in the country.²

- Current state subsidy payment levels have regressed³ and will not support access to quality care.
- The operational hours of many early childhood programs do not always match the needs of families. For example, neither Head Start nor MSRP provide full day care so that children of working parents must move from one setting to another to obtain full day care.
- Preschool children with disabilities who are entitled to preschool services in the 'least restrictive environment' are often denied their right to this. The shortage of early childhood care and education for all children further reduces inclusive opportunities for children with disabilities. Opportunities to learn and play alongside typically developing children are very limited despite Head Start requirements to provide 10% of their slots to children with disabilities. Special education and general early childhood education and care funding streams make inclusion challenging.⁴
- There is insufficient knowledge about the training needs and qualifications of the existing childcare workforce, especially relative providers and daycare aides.

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Current Developments

Substantial efforts are underway in Michigan to improve the quality and availability of child care. These include specific steps to improve quality as well as two major efforts to promote public awareness and support and to coordinate efforts.

Steps to Improve Quality

- Revised **child care center and family/group home licensing requirements** would implement strategies to improve quality. They will specify educational requirements for director and staff, require annual staff training, and improve child-staff ratios. Child care centers are concerned about the cost implications of these changes. A recent rule change has required 30 minutes of reading daily.
- A voluntary **quality rating system** is being developed. The ratings would give parents a way of assessing the quality of child care providers, provide an impetus for improvement and form the basis for potentially linking state child care subsidy payments to provider ratings. This was part of a grant funded by the Joyce Foundation, approved and filtered through the Children's Action Network and Children's Cabinet.
- The **Project Great Start Professional Development Initiative** is designed to improve the knowledge and skills of early childhood providers working in a licensed child care center, group home or registered family home. It will offer high-quality training for early childhood providers at a participating community college, (Lansing Community College, Grand Rapids Community College, Mott Community College and Schoolcraft Community College) helping providers develop a career pathway that leads to a Child Development Associate (CDA) credential or Associate degree, with the potential to progress to a four-year institution that offers a Bachelor degree in early childhood education. Over a two-year period, more than 800 child care providers are expected to receive training through the Initiative. The Initiative will support research on how professional development and teacher practice impact child outcomes related to school readiness.

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Financial assistance is available, either through T.E.A.C.H. scholarships, college scholarships or an incentive option. T.E.A.C.H. is responsible for recruitment in this project, determining eligibility and getting people signed up for the appropriate financial support.

A Child Action Network (CAN) **Professional Development Workgroup** has made seven recommendations for the creation and implementation of a professional development system in Michigan. The recommendations have been approved by CAN and the Children's Cabinet. Final recommendations on the system are due in December 2005.

Steps to Promote Awareness and Increase Resources

A **grant from the Joyce Foundation** is intended to develop public awareness and support for policies and investments to expand access to high quality preschool programs and services, beginning with low income children and those most at risk. The grant activities will be overseen by a consortium consisting of Michigan's Children, Michigan Association for the Education of Young Children, Michigan 4C Association, Michigan Head Start Association, Fight Crime: Invest in Kids Michigan, and the Michigan League for Human Services

Governor Jennifer Granholm announced the initiation of an **Early Childhood Investment Corporation (ECIC)** to promote a quality system of early childhood services in February 2005. Appointments to the committee were announced in July 2005.

The Early Childhood Investment Corporation is a non-profit corporation housed within the Department of Human Services which will provide state-level leadership on early childhood. A partnership between the Michigan Department of Human Services (formerly Family Independence Agency) and intermediate school districts (ISDs), the ECIC is organized as an interlocal agreement under the Urban Cooperation Act of 1967. The ECIC will be governed by an executive committee of 15 persons. Its board consists of one representative from each participating ISD plus two members appointed by the governor for each ISD representative. The gubernatorial appointments will be predominately individuals from outside state government. The executive committee will appoint a chief executive officer.

The ECIC will provide a focal point for the development and leadership of Michigan's Great Start system¹ for infants, toddlers, and children 0-5 years old. It is anticipated that ECIC will consolidate and support early childhood systems building and quality initiatives, promote public awareness and leverage public and private resources, and align goals and outcomes of early childhood programming across state departments.

The ECIC will provide small grants and technical assistance to community-based **Great Start Collaboratives**. A **Great Start Collaborative** will be convened by the intermediate school district (ISD), bringing together a range of community and provider representatives concerned with quality early childhood services as an economic investment. The ISD will act as the fiduciary for the Great Start Collaborative, which will be the local decision making body. Five to seven ISDs, plus three in planning, will be involved initially. All ISDs are expected to participate by 2010. A 10 percent match will be required for ECIC grants.¹

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1. See www.greatstartforkids.org.

Table 1. Types of Early Childhood Education and Care Facilities in Michigan

	Type	Sites and Number of Children	Eligibility	Full or half day	Funding	Cost
Head Startⁱ (HS)	Center operated by community action agency, school district, or community agency	80 programs , multiple sites serving 34,903 children including 1 Migrant HS program (1,601 children), 3 Tribal HS program (332 children) ⁱⁱ	Low income: 90% poverty level plus 10% above poverty level allowed 4 yr olds; some 3 yr olds 10% disabled	Half day May arrange with community child care sites to complete day	Federal competitive grants and local match No charge to parents	\$226.7 million annuallyⁱⁱⁱ
Early Head Start^{iv} (EHS)	Center plus home visiting Home visiting ^v plus group sessions	24^{vi} programs serving 2,018 children including 3 Tribal EHS programs (226 children) and excluding Migrant programs which combine HS and EHS	Low income: 90% poverty level plus 10% above poverty level allowed. Prenatal – 3 years 10% disabled	Half day	Federal competitive grants and local match No charge to parents	\$20.9 million annually
Michigan School Readiness Program (MSRP)^{vii}	Center (99%) or weekly home visiting program Operated by schools or community agency	456 school districts and 62 other agencies serving 25,712 children	4 yr olds at risk of school failure Must have 2 of 25 risk factors 50%+ must be low income	Half day	State school aid grant to local districts Competitive grant to child care centers or Head Starts No charge to parents	\$84.9 million

ⁱ MHSA, e-mail, 6/15/05ⁱⁱ Migrant programs do not breakdown totals for HS and EHSⁱⁱⁱ Includes figures for Migrant HS and EHS combined^{iv} MHSA, e-mail, 6/15/05^v There are other home visiting programs in Michigan that are not discussed in this Brief.^{vi} Excludes figures for Migrant EHS^{vii} As of 2002-2003, Michigan Department of Education

Table 1. CONT'D Types of Early Childhood Education and Care Facilities in Michigan

	Type	Sites and Number of Children	Eligibility	Full or half day	Funding	Cost
Licensed child care centersⁱ	Center; operated by for-profit or non-profit agency	4,578 centers with a capacity of 243,014	All ages, but depends on individual center	Full day, but depends on individual center	Parent fees Eligible parents may obtain child care subsidy from state	Average annual fees for fulltime care for an infant: \$7,922 Average annual fees for fulltime care for a 4 year old: \$6,206.
Licensed group care homesⁱⁱ	Private residence	3,697 homes with a capacity of 44,143 children	All ages Maximum of 12 children not related to child care provider	Varies	Parent fees Eligible parents may obtain child care subsidy from state	
Registered family day care homesⁱⁱⁱ	Private residence	10,163 homes with a capacity of 60,338 children	All ages Maximum of 6 children not related to child care provider	Varies	Parent fees Eligible parents may obtain child care subsidy from state	

ⁱ 4C Profile of Michigan 2005

ⁱⁱ As of December 2004, Michigan Department of Human Services

ⁱⁱⁱ As of December 2004, Michigan Department of Human Services

Table 1 Summary—Total number of Michigan children by setting

<i>Setting</i>	<i>Children/Capacity</i>
<i>Head Start</i>	<i>34,903</i>
<i>MSRP</i>	<i>25,712</i>
<i>Centers</i>	<i>243,014</i>
<i>Group homes</i>	<i>44,143</i>
<i>Family homes</i>	<i>60,338</i>
Total*	408,110

* Early Head Start is not included because the number of slots that are home based is not known.