



CHILD CARE AND THE STATE

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The State of Michigan is involved in early child care in multiple ways, including regulation and licensing of child care providers and facilities to ensure the basic health and safety of young children. Registration and licensing rules dictate the maximum number of children a provider may care for, the minimum training of child care workers, and inspection criteria. The state has adopted standards of quality child care that include development and learning goals for infant and toddler programs organized around well-being, belonging, exploration, communication, and contribution. The state also administers a program that provides child care payments to caregivers of children from eligible low income families to promote self sufficiency and prevent welfare dependency. In addition, a complex system of service providing, resource, and referral organizations has been created to improve child care quality and availability statewide, and to inform parents about child development and child care resources. The policy questions related to these state programs are rooted in basic questions about the role of the family and the role of government, about the importance of early experiences to future success in school and in life, and about the relationship of child care and the workforce.

Child Care Arrangements

Young children may be cared for in center-based care, which includes day care centers, Head Start programs, preschool, nursery school, pre-kindergarten, and other programs; in their own home by an immediate family member, relative, sitter, or nanny; in a family care arrangement in another home; or in multiple arrangements. Studies have demonstrated that ordinary baby sitting has the smallest initial beneficial effects on children's learning and development. Family day care homes have no effect on cognitive development, and child care centers typically produce small short-term effects. Center-based

preschool programs vary widely in structure and operation, but higher quality programs produce larger gains in cognitive and language abilities. While home-based care may be better for very young children, research has demonstrated that center-based care is more effective in substantially increasing language, literacy, and math knowledge and skills in older pre-K children.

A number of factors have contributed to the increase in the number of children in paid child care. The potential value of high quality, center-based care was demonstrated in several early intervention programs conducted in the 1960s and 1970s. While these projects targeted high-risk, disadvantaged children, more recent evaluations of the skill levels of children in various child care arrangements have also demonstrated beneficial outcomes for advantaged children in center-based care, as well. The need for child care arrangements has accelerated as more women with young children have entered the labor force. In addition, welfare reform in 1996 focused on moving poor women from welfare to work by ending entitlements to cash assistance and requiring work in exchange for time-limited assistance; the need for child care was considered a structural barrier to the employment of poor women. The percentage of single women who had preschool age children and who were in the labor force increased from 53.0 percent in 1995 (before welfare reform) to 70.5 percent in 2000 (after welfare reform).

Licensing

States including Michigan license and regulate child care to ensure that young children who are being cared for are in settings that protect them from harm. Generally, it is illegal in Michigan to provide child care services without being registered or licensed by the Bureau of Children and Adult Licensing of the Michigan Department of Human Services (a person



providing “baby sitting” services for less than \$600 annually does not need to be licensed). Michigan has adopted different definitions, regulations, and requirements for different kinds of providers: day care aides and relative care providers; child care family homes; child care group homes; and child care centers. These rules and regulations concern adult-to-child ratios, background checks, care giver training, inspections, health and safety requirements, learning opportunities and child development, and parent communication and involvement. The Michigan Department of Human Services, Bureau of Children and Adult Licensing, Division of Child Day Care Licensing issues administrative rules that govern the 4,640 child care centers in this state.

Costs and Subsidies

Child care can be expensive and this expense can affect a mother's participation in the labor force. On average, the cost of care in a child care center is higher than the cost in a family child care home, and the cost for an infant is higher than that for a four-year-old. In 2010, the average annual price of full-time care for an infant in a family child care home ranged from \$3,582 to \$11,940, depending on the state; the price in Michigan was \$6,715. The average annual cost of full-time care for an infant in a child care cen-

ter ranged from \$4,560 to \$18,773; the average cost in Michigan was \$9,016.

For low income families, whether or not their children are enrolled in publicly subsidized programs, the lowest quality child care is generally the least expensive. In 2005-06, 68.1 percent of home-based care provided to children from families below the poverty level was rated low, compared to 35.8 percent rated low for families above the poverty line. In Michigan, the median annual family income for single-parent, female-headed, families with children under 18 is \$23,011. The cost of full-time care for an infant in a center is \$9,016, which is 39 percent of the median annual family income for single-parent, female-headed families with children under 18. In Michigan, the average annual tuition and fees at a four-year state univer-

sity is only slightly more than the cost of sending an infant to full-time, center-based child care.

Families of 19 percent of the U.S. children in child care, aged birth through five, receive public assistance specifically for child care, generally to allow the mother to work or to attend school. Congress adopted the Child Care and Development Block Grant (CCDBG) in 1990 and reauthorized and expanded it in 1996 as part of welfare reform. The CCDBG is intended to assist low income families to obtain child care so the parent can work or attend training; improve the quality of child care; and promote coordination among early childhood development and after school programs.

Under the federal guidelines, states have significant discretion in setting payment levels to providers, but must certify that pay-

Table A
Amounts Available for Child Care and Related Activities

CCDF:	\$148,250,000
Federal TANF Transfer to CCDF:	130,000,000
Direct Federal TANF Spending on Child Care:	17,000,000
State CCDF Maintenance of Efforts Funds:	24,411,300
State Matching Funds:	35,655,000
Total Funds Available:	\$355,316,300

Source: State of Michigan, Child Care and Development Fund Plan for: Michigan FFY 2010-2011.

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ment rates are sufficient to ensure that participating families have access to child care services that is equal to that non-subsidized families have. As noted in **Table A**, \$355.3 million from state and federal sources was available for child care services and related activities in Michigan from October 1, 2009 through September 30, 2010.

The Michigan Department of Human Services (DHS) is the lead agency for this state's Child Care and Development Program, which reimburses child care providers in cases where the qualifying low-income parent is working (81 percent of recipients in 2008); completing high school (including GED, ABE, and ESL; 15 percent of recipients in 2008); engaged in another Department of Human Services approved activity; or for family preservation (this includes being in a DHS approved counseling or treatment program for a physical, mental, or emotional problem). In May, 2010, there were 57,674 Michigan children aged six and under receiving child care subsidies from CCDF. States are required to establish a sliding fee scale that provides for cost sharing by families. The parent chooses a child care provider, which may be a relative or friend, a family or group home, or a child care center. At present, 60 percent of children served by the program are receiving care from enrolled relatives and day care aides (in-home care tends to be the least expensive), while 40 percent of children served by the program are using regulated care (family home, group home, or center care). In 2008, 57,622

Michigan child care providers (not children) received CCDF funds. The emphasis of CCDF is on child care, not school readiness.

The Child Care Network

Because there are so many child care providers of varying quality, because the care of young children is so important, and because the federal government has encouraged it, the state has created a network of interrelated programs and services to improve the quality of child care and to improve access to a variety of services. Michigan's early childhood care complex includes the Great Start Early Learning Advisory Council; Early Childhood Investment Corporation; Great Start Collaboratives; Great Start Regional Child Care Resource Centers; the Great Start CONNECT Resource Center; the TEACH program; Child Care Enhancement Program as well as the Great Start Readiness Program for disadvantaged four-year-olds. Programs aimed at parents include Great Start, Great Parents grants and Great Start Parent Coalitions.

Conclusion

Child care is provided in the child's home or in another setting, by tens of thousands of private individuals and companies of vastly different quality, and at significantly different prices. Michigan strives to license, regulate, and inspect these providers, but is challenged by financial constraints (Michigan is one of only six states where the caseload for state licensing staff exceeds 220;

the recommended caseload is no more than 50).

For struggling families with very young children, the opportunity for parents to obtain an education, hold a job, and maintain the family structure may depend on publicly funded programs that subsidize the cost of child care. A number of studies have demonstrated that high quality early childhood interventions can reduce negative outcomes for at-risk children; the children for whom the state provides child care subsidies are, almost by definition, at risk. Incorporating more cognitive development activities for disadvantaged children who are not old enough for Head Start or Great Start programs could set the stage for improved learning, though this would require more training for caregivers and possibly higher reimbursement rates as well. Regardless, every effort should be made to ensure that the child care purchased with public money is of high quality, that regulations and standards are appropriate and are enforced, and that program assets are not diverted to unproductive uses.

State efforts to coordinate the child care sector, and federal funding requirements, have resulted in a complex of organizations and programs. There may be alternative structures, such as county health departments, K-12 school districts, ISDs, or other nonprofit organizations that could identify, assist, and refer families with young children who need services.

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