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of Michigan

CRC

Child Care and the State

March 2011

Report 367

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CITIZENS RESEARCH COUNCIL OF MICHIGAN

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CHILD CARE AND THE STATE

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Public K-12 Education in Michigan

Entering 2010, Michigan residents find public primary and secondary education facing numerous challenges:

- State revenues are falling;
- Local revenue growth is stagnating;
- K-12 education service providers are facing escalating cost pressures, with annual growth rates outpacing the projected growth in available resources;
- Spikes in the level of federal education funding resulting from the American Recovery and Reinvestment Act of 2009 (ARRA) will produce a budgetary "cliff" when the additional dollars expire; and
- School district organization and service provision structures are being reviewed with the goals of reducing costs and increasing efficiencies.

Because of the critical importance of education to the state, its economy, and its budget, the Citizens Research Council of Michigan (CRC) plans a long-term project researching education in Michigan with an emphasis on the current governance, funding, and service provision structures and their sustainability.

Public education has been governed largely the same way since its inception in the 1800s. It is important to review the current organization of school districts and structure of education governance, as well as to review new and different ways to organize and govern public education, to determine if Michigan's governance structure meets today's needs. The school finance system has been revamped on a more regular basis throughout history. Changes have been made to address a host of concerns, including per-pupil revenue disparities, revenue-raising limitations of state and local tax systems, as well as taxpayer discontent with high property taxes. Michigan's current finance system was last overhauled in 1994 with the passage of Proposal A, providing sufficient experience to reconsider the goals of the finance reforms and determine whether the system has performed as originally contemplated.

In addition to analyzing education governance and revenues, it is important to review cost pressures facing districts and how education services are provided in Michigan. School budgets are dominated by personnel costs, the level of which are largely dictated by decisions made at the local level. Local school operating revenues are fixed by decisions and actions at the state and federal levels, but local school officials are tasked with making spending decisions and matching projected spending levels with available resources. However, those local decisions are often impacted by state laws (e.g., state law requires districts to engage in collective bargaining). The freefall of the Michigan economy since the 2001 recession has impacted all aspects of the state budget, including K-12 education, and requires state and local officials to review how things are done in an attempt to increase revenues and/or reduce costs.

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Citizens Research Council Education Project

In 2009, CRC was approached by a consortium of education interests and asked to take a comprehensive look at education in Michigan. CRC agreed to do this because of the importance of education to the prosperity of the state, historically and prospectively, and also because of the share of the state budget that education demands. Education is critical to the state and its citizens for many reasons: 1) A successful democracy relies on an educated citizenry. 2) Reeducating workers and preparing students for the global economy are both crucial to transforming Michigan's economy. 3) Education is vital to state and local budgets. 4) Public education represents a government program that many residents directly benefit from, not to mention the indirect benefits associated with living and working with educated people. As with all CRC research, findings and recommendations will flow from objective facts and analyses and will be made publicly available. Funding for this research effort is being provided by the education consortium and some Michigan foundations. CRC is still soliciting funds for this project from the business and foundation communities.

The goal of this comprehensive review of education is to provide the necessary data and expertise to inform the education debate in Lansing and around the state. This is a long-term project that will take much of the focus of CRC in 2010 and into 2011. While an overall project completion date is unknown, CRC plans to approach the project in stages and release reports as they are completed. Topic areas CRC plans to study include education governance, K-12 revenues and school finance, school district spending analyses, public school academies (PSAs) and non-traditional schools, school district service provision and reorganization, and analyses of changes to Michigan's educational system.

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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 train-

ing, 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.

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.

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 center 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 university 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 payment 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 CCDP. 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.

Child Care and the State

Introduction

Child care is a labor intensive endeavor with low natural barriers to entry, that can be performed by adults (or older children) with little or no special training, in a home (either the child's or the provider's) or in a variety of other locations (special facilities, churches, schools, community centers, etc.). Because the natural barriers to entry are low and the potential for harm is great, states have adopted rules and regulations to protect young children, and interest groups have advocated for increased regulation and training, and commensurate increased payment, for child care providers.

Part of a Series on Public Education in Michigan

This paper is one in a series of papers that CRC is publishing on important education issues facing Michigan. Previous papers described the governance and financing of Michigan's K-12 system. The goal of this comprehensive review of education provision is to provide the data and expertise necessary to inform the education debate in Lansing and around the state.

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 (required for the Great Start Readiness Program, but optional for all other programs) that includes 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.

Clearly, the state has a responsibility to ensure the safety of children, and some would argue that the state also has a responsibility to protect children from threats to long-term developmental impairment. Others would argue, however, that parents, not government, should have the primary duty to raise, educate, and transmit values to young children, and they should be able to do so without interference from government. All would agree that the care and nurturing of young children is critically important, and that this is the responsibility of parents and relatives, as well as paid child care providers.

> "How caregivers soothe, feed, diaper, and bathe infants and encourage toddlers to try new things may seem mundane, but the responsive, thoughtful, and intentional way caregivers interact with infants and toddlers while carrying out these seemingly simple routines forms the basis of their emotional health and relationship development and shapes their approach to learning."[1]

The Evolving Ideal of Child Care

The middle class American ideal has assumed that the best early child care was that provided by a mother to her own child in her own home, while the father worked. Television programs in the 1950s and 1960s reinforced this ideal with the families portrayed in The Adventures of Ozzie and Harriet, Lassie, Father Knows Best, and Leave it to Beaver. It was only if the mother had to work outside the home that child care alternatives were considered—baby sitting by a family member, friend, or neighbor (FFN); day care with other children in a family home; or care in a nursery school or other center-based care. Although unregulated, FFN care was (and still is) often preferred, in part because it was less expensive than licensed, professional care. In 1960, only ten percent of three- and four-year-old children were enrolled in any kind of classroom.

Public policy also reflected and reinforced these ideas about child care. In 1971 President Nixon vetoed national child care legislation (the Comprehensive Child Development bill) because it "would commit the vast moral authority of the national Government to the side of communal approaches to child rearing over against (sic) the family-centered approach."[2] and might "Sovietize" American children.[3] At the time, feminists were angered that President Nixon's veto message said that child care threatened family stability by encouraging women to work.[4]

At the same time that television programs and public policy reflected the ideal of a stay-at-home mother, research was addressing a harsher reality. Evaluations of several carefully constructed early intervention programs conducted in the 1960s and 1970s demonstrated that for high-risk, disadvantaged children, high-quality center-based care was more likely to lead to better outcomes: lower rates of special education and grade retention; higher rates of school completion, reduced delinquency and crime, higher rates of employment, and less welfare dependency.[5] (It should be noted that these generously funded research projects provided an intensity of care and attention that cannot be replicated at a cost that working families can afford.) 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.[6]

At the same time that television programs and public policy reflected the ideal of a stay-at-home mother, research was addressing a harsher reality. Evaluations of several carefully constructed early intervention programs conducted in the 1960s and 1970s demonstrated that for high-risk, disadvantaged children, high-quality center-based care was more likely to lead to better outcomes.

Mothers in the Labor Force

At the same time that research was demonstrating the advantages of high quality center-based child care, more women with young children were entering the labor force. The following table reflects the labor force participation rates for single, married, and widowed, divorced, or separated women with children under the age of six, which is the age at which children generally enter first grade (See **Table 1**).

Welfare to Work

The Personal Responsibility and Work Opportunity Reconciliation Act of 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, a shift in policy that emphasized individual responsibility and self sufficiency. This reform occurred during one of the strongest economies in decades, when job opportunities were plentiful. The need for child care was considered a structural barrier to the employment of poor women.[7]

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 re-

Table 1
Labor Force Participation Rates of Women with Children Under the Age of Six

Year	Single	Married, Husband Present	Widowed, Divorced, or Separated
1970	N/A	30.3%	52.2%
1980	44.1%	45.1	60.3
1990	48.7	58.9	63.6
1995	53.0	63.5	66.3
2000	70.5	62.8	76.6
2005	68.5	59.8	73.5
2006	68.6	60.3	74.3
2007	67.4	61.5	72.2

Source: U.S. Census Bureau, The 2010 Statistical Abstract, Table 585

form). Mothers who moved from welfare to work tended to be young, single, and members of minority groups; to have little formal education; and to be employed in low wage jobs.

In a summary of research on the effects of welfare reform on young children, Andrew Cherlin of Johns Hopkins University reported that "None of these studies has found any significant negative consequences for younger children when their parents make transitions off of welfare or into employment...or when they are subject to various work-oriented experimental programs... In fact, there is evidence that providing mothers with earnings supplements – either through continued welfare receipt or wage subsidies – may be beneficial to younger children."[8]

Characteristics of Working Mothers

In 2007, most mothers who had preschool age children and who were in the labor force were married and their husbands were present: 7.4 million were in intact marriages, 1.8 million were single, and 1.1 million were widowed, divorced, or separated.[9]

Labor force participation rates for married women vary by race and ethnicity: in 2007, 72.2 percent of married Black women, 60.9 percent of married White women, 55.4 percent of married Asian women, and 48.4 percent of married Hispanic women with children under the age of six were in the labor force.[10]

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 (Michigan law differentiates between "child care family homes" and "child care group homes" based on the number of children served); or in multiple arrangements. In 2005, there were 20.7 million children in the U.S. who were under the age of six and not yet enrolled in kindergarten. Of these children, 39.8 percent were in parent care and 15.4 percent were cared for by a relative; 2.3 percent were cared for by a sitter in the child's home, and 8.3 percent were in family child care in another home. Of all children not yet enrolled in kindergarten, 5.1 percent were in the federal Head Start program and 27.3 percent were in other center-based care.

The adult-to-child ratio is one of the important variations in child care. Relatives tend to provide care for only one or a very few children, while non-relative care givers tend to care for a larger number of children. According to the National Center for Education Statistics, in 2005 there was an average of 1.6 children per relative child care provider, 3.1 children per non-relative child care provider, and 6.0 children per care provider in center-based child care.[11]

While family, friends, and neighbors continue to provide care for many children[12], 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, which sometimes includes increased aggression. Center-based preschool programs vary widely in structure and operation, but higher quality programs reduce negative effects and produce larger gains in cognitive and language abilities.

Table 2 shows the widening disparity in skill levels as children mature from infants to four-year-olds, based on child care arrangements.

Table 2
Percent of Children Demonstrating Proficiency in Cognitive Skills, by Child Care Arrangement, 2005-06

At 9 Months Old	Explores Objects	Explores Purposefully	Jabbers Expressively	Early Problem Solving	Names Objects
Parental Care	98.5%	82.4%	28.7%	3.4%	0.6%
Home-based Care					
Relative	98.8	84.3	30.6	3.9	0.7
Nonrelative	98.8	84.7	31.3	4.2	0.8
Center-based Care	98.6	82.8	29.3	3.5	0.6
Multiple Arrangements	98.3	78.6	25.0	2.7	0.4

At 2 Years Old	Receptive Vocabulary	Expressive Vocabulary	Listening Comprehension	Matching Discrimination	Early Counting
Parental Care	83.4%	62.0%	34.8%	30.2%	3.3%
Home-based Care					
Relative	83.2	61.6	34.7	30.1	3.6
Nonrelative	86.7	67.7	39.8	34.8	4.4
Center-based Care	87.5	69.4	41.6	36.7	5.5
Multiple Arrangements	81.7	63.1	38.0	33.8	6.2

At 4 Years Old	Comparative Scores				Percent Proficient	
	Receptive Vocabulary	Expressive Vocabulary	Overall Literacy	Overall Math	Letter Recognition	Numbers and Shapes
Parental Care	8.1	2.3	11.4	20.6	25.6%	53.4%
Home-based Care						
Relative	8.3	2.3	11.4	20.9	25.8	55.4
Nonrelative	8.6	2.5	12.8	23.2	31.5	67.6
Head Start	7.9	2.3	11.2	20.6	25.0	54.7
Other Center	9.0	2.6	14.9	24.6	39.5	75.0
Multiple Arrangements	8.6	2.5	12.7	22.5	30.8	65.3

Source: National Center for Education Statistics, Participation in Education, Preprimary Education, Tables A-3-1, A-3-2, and A-3-3.

According to the table, home-based care may be better for very young children, but center-based care is more effective in substantially increasing language, literacy, and math knowledge and skills in older pre-K children. The federal Head Start program for at-risk four-year-olds appears to produce cognitive results in disadvantaged children that lag, but are generally comparable to, average cognitive achievement in children that have no regular non-parental care arrangements.[13]

Over the past five decades, increases in the number of center-based preschool programs and in the percentage of children enrolled in those programs occurred for three main reasons: the increasing participation of women with young children in the labor force; the growing body of research on the benefits that preschool could have on a child's cognitive and socio-emotional growth, which led to demand from parents who wanted their children to experience the social and educational enrichment provided by good early childhood programs[14]; and changes in welfare rules. In the following table, school enrollment includes part-time or full-time enrollment in any public, parochial, or other private nursery school, kindergarten, or elementary school (See **Table 3**).

Table 3
Percentage of the U.S. Population Enrolled in School, by Age

	3 and 4 Years Old	5 and 6 Years Old
1950	N/A	74.4%
1955	N/A	78.1
1960	N/A	80.7
1965	10.6%	84.9
1970	20.5	89.5
1975	31.5	94.7
1980	36.7	95.7
1985	38.9	96.1
1990	44.4	96.5
1995	48.7	96.0
2000	52.1	95.6
2005	53.6	95.7
2008	52.8	93.8

Source: National Center for Education Statistics, Digest of Education Statistics: 2009, Table 7, http://nces.ed.gov/programs/digest/d09/tables/dt09_007.asp?referrer+list.

In 2008, there were 12.6 million children ages three through five in the U.S., and 63 percent of them were enrolled in public or private nursery school or kindergarten. (In 2008 in Michigan, there were 154,711 children over three enrolled in nursery school and preschool, and 130,361 children enrolled in kindergarten.) These schools varied widely in quality and in their effects on children.

> The science of child development tells us that significant variations in the quality of early care and education programs have the potential to produce lasting repercussions for both children and society as a whole. Evidence points to the beneficial impacts at the highest end of the quality spectrum and to detrimental impacts at the lowest end. For children whose life circumstances lead to greater vulnerability, the nature of their out-of-home experiences is particularly important and the potential impacts are greater.
>
> Transitions into and among out-of-home child care arrangements vary greatly in the first years of life. These variations include differences in timing (early vs. later), setting (center-based, relative, or nonrelative family care arrangements), auspices (public vs. private funding sources, secular vs. faith-based programs, for-profit vs. not-for-profit centers), and quality as measured by both structural indicators (e.g., the physical environment, materials, group size, child-adult ratio) and process indicators (e.g., caregiver stimulation, warmth, and discipline). Given the large number of children in the United States who experience some form of non-parental care of highly variable quality, the application of science-based effectiveness factors to policy and program design offers important benefits.[15]

"Quality rating and improvement systems" are rating systems for licensed child care programs that allow parents to make more informed choices among available child care choices. Although some states have adopted, or are moving toward, such systems, Michigan has not.

Exploring Child Care Options

Parents of children who are not yet in kindergarten have reported that reliability is the most important factor when selecting child care. In 2005, a sample of parents of the 12.3 million U.S. pre-kindergarten children in child care rated the following factors as very important when selecting child care arrangements (See **Table 4**).

Although cost was reported to be the least important of the characteristics listed, it is very important for low income families, and may be a determining factor in labor force participation for some mothers.

Table 4
Parental Prioritization of Child Care Center Characteristics

Characteristic	Percent of Children Whose Parents Rated this Very Important
Reliability	89%
Learning Activities	75
Availability of Child Care Provider	75
Time with Other Children	65
Location	63
Number of Children in Care Group	44
Cost	40

Source: National Center for Education Statistics, Initial Results from the 2005 NHES Early Childhood Participation Study, Table 15, http://nces.ed.gov/pubs2006/earlychild/tables/table_15.asp.

Standards and Quality Ratings

Among other minimum legal regulations in the Licensing Rules for Child Care Centers and Licensing Rules for Family and Group Child Care Homes, Michigan requires regulated child care providers to provide 30 minutes of appropriate emergent literacy activities ("emergent literacy" refers to the reading and writing behaviors that precede and develop into conventional literacy), as well as early math experiences, every day.[16] In addition to licensing requirements, the Michigan Board of Education has adopted standards of quality care, including *Standards of Quality and Curriculum Guidelines for Preschool Programs for Four Year Olds* (1986), *Early Childhood Standards of Quality Pre-Kindergarten through Second Grade* (1992*), Early Childhood Standards of Quality for Pre-Kindergarten* (2005), and *Early Childhood Standards of Quality for Infant and Toddler Programs* (2006), which form "a chain of documents intended to provide guidance to all those involved in supporting the development and learning of young children across the early childhood years."[17] Unlike licensing standards that must be met, these standards of quality care are manditory for the state funded Great Start Readiness Program but are optional for other programs. Nonetheless, there is a wide variation in the quality of child care in Michigan, as there is in the U.S.

In order to judge the quality of care provided, researchers at the Frank Porter Graham Child Development Institute of the University of North Carolina at Chapel Hill have developed child care quality rating systems for different age groups and types of child care settings. These rating systems are designed to be comprehensive, reliable, and valid instruments to assess the quality of care and educational experiences received by children. The Family Day Care Environment Rating Scale and the Early Childhood Environment Rating Scale are both based on interviewer observations of children's interactions with adults and peers, children's exposure to materials and activities, the extent and manner in which routine needs are met, and the space and furnishings. The two metrics are designed to be equivalent.

Table 5
Quality Ratings of Child Care Arrangements*, 2005-06

	Low	Medium	High
Head Start	3.2%	56.7%	40.1%
Center-based Care Other than Head Start	11.6	55.5	32.9
Home-based Relative and Nonrelative Care	42.6	47.9	9.5

*For all four-year-old children in child care

Source: National Center for Educational Statistics, Digest of Education Statistics, Table 47

Table 5 reflects quality ratings for child care arrangements for four-year olds nationally.

According to these metrics, nearly all federally funded and regulated Head Start programs have medium or high ratings, and over 90 percent of home-based care arrangements are rated medium or low. In 2007, 29 percent of Michigan children under the age of six were in home-based child care[18], which, according to the national ratings in the preceding table, was more likely to be of poorer quality than center-based care. (Whether rating scales devised by professional educators may contain a bias in favor of center-based care is a valid question that is beyond the scope of this report.)

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. The following table reports the quality ratings for four-year–old children in child care arrangements by family income and socioeconomic status, which was based on parental education, occupation, and income. "Other center-based care" includes, but is not limited to, state funded preschool programs targeted at disadvantaged preschool children. (See **Table 6**.)

Table 6
Quality Ratings of Child Care Arrangements* by Family Characteristics, 2005-06

	Home-Based Care			Head Start			Other Center-Based Care		
	Low	Medium	High	Low	Medium	High	Low	Medium	High
Poverty Status:									
Below Poverty	68.1%	28.3%	3.6%	2.6%	57.9%	39.6%	15.4%	60.2%	24.4%
Above Poverty	35.8	53.2	11.1	3.8	55.5	40.6	10.8	54.5	34.7
Socioeconomic Status:									
Lowest 20%	71.2%	26.4%	2.4%	3.4%	53.7%	42.9%	9.8%	63.5%	26.6%
Middle 60%	43.3	49.7	7.0	3.2	59.3	37.5	14.1	55.2	30.7
Highest 20%	7.8	66.3	25.9	-	-	-	7.5	52.7	39.8

* for four-year-old children in child care
Source: National Center for Educational Statistics, Digest of Education Statistics .

The National Center for Education Statistics found that average weekly expenditures for child care increased with the mother's level of education and with household income, indicating that better educated, more affluent families purchased more expensive, and presumable better quality, child care.[19]

Accreditation

Some states have adopted quality rating and improvement systems that include standards above the licensing standards, leading to accreditation by a national early childhood program accreditation system, such as that offered by National Association for the Education of Young Children (NAEYC), the National Association for Family Child Care, Council of Accreditation for Services to Families and Children, and other agencies. These quality systems represent professional consensus on exemplary practices and program excellence and are intended to generate greater consumer awareness of quality programs, to increase resources to help programs improve, and to create system wide improvements in the quality of all programs. Eleven states link their child care subsidy rate to quality ratings, with higher reimbursements for programs that demonstrate a level of quality beyond the licensing standard. In January, 2009, there were 201 early care and education programs serving 18,272 children in Michigan that had voluntarily sought and had received accreditation by NAEYC.[20]

The Cost of Child Care

Child care workers are often poorly paid, which results in high turnover (frequent changes in care givers can be difficult for children and parents alike). Nonetheless, child care can be expensive for families 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 average price in Michigan was $6,715. The average annual cost of full-time care for an infant in a child care center ranged from $4,560 to $18,773; the average cost in Michigan was $9,016. (See **Table 7**.)

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

Table 7
2010 Average Annual Price of Child Care

	Range of State Averages		Michigan
	Lowest	Highest	Average Price
Infant in family home	$3,582	$11,940	$6,715
Infant in child care center	4,560	18,773	9,016
Four-year-old in family home	3,700	11,475	6,442
Four-year-old in child care center	4,460	13,158	7,549
Average annual tuition and fees paid for a four-year state university	$7,020 (U.S.)		$9,784

Source: The National Association of Child Care Resource and Referral Agencies, (NACCRRA) 2010 Child Care in the State of Michigan.

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. According to the U.S. Department of Education, families of 25 percent of the children cared for by a relative, 11 percent of the children cared for by someone who is not a relative, and 20 percent of the children in center-based care, receive assistance to pay for all or part of that care. Families of 39 percent of Black children in child care, 23 percent of Hispanic children in child care, and 12 percent of Non-Hispanic White children in child care receive assistance to pay for that care. The disparity in rates of assistance is particularly large for one-parent versus two-parent families: child care for 47 percent of children in one-parent and non-parent guardian families is subsidized, while only ten percent of children in two-parent families have subsidized care (the median annual family income of married couple families with children under 18 is $79,015, about 3.4 times the $23,011 median annual family income of single parent families with children under 18). Fifty-five percent of children in families below the poverty level receive subsidized child care; 12 percent of children in families above the poverty threshold receive subsidized care.[21]

Child Care and Development Block Grant

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.

CCDBG, which is administered by the federal Department of Health and Human Services, provides formula-based grants to states to be used for child care. The Child Care and Development Fund (CCDF) made $5 billion available to states, territories, and tribes in FY2010. Federal grants are allocated from discretionary, mandatory, and matching funds that each have specific distribution formulas. For example, discretionary funds are allocated to states based on three factors:

1. The ratio of the number of children under age five in the state to the number of children under age five in the country.
2. The ratio of the number of children in the state who receive free or reduced price school lunches to the number of children in the country that received free or reduced price lunches.
3. A weighting factor that is calculated by dividing the three-year average national per capita income by the three-year average state per capita income.

Federal matching funds, which are based on the number of children under age 13 in the state compared with the total number of children under 13 in the country, must be matched by the state at the state's federal medical assistance percentage (FMAP) rate. For federal fiscal year 2008 (FFY 2008), CCDF and state expenditures totaled $9.2 billion and Michigan's program was the eighth largest (see **Table 8**).

Table 8
Child Care Development Fund Expenditures* by State, FFY 2008
(in Millions)

State	Amount
California	$976.5
New York	974.8
Texas	575.5
Florida	471.3
Pennsylvania	425.5
Illinois	335.7
North Carolina	326.9
Michigan	**309.2**
Ohio	296.1
Georgia	290.8

*Including state match and state maintenance of effort amounts.

Source: U.S. Department of Health and Human Services, Office of Child Care, 2008 CCDF State Expenditure Data

Although not directly comparable to the amounts in the preceding table, the Child Care and Development Fund Plan for Michigan for 2010-11 includes an estimate of the amounts that were available for child care services and related activities from October 1, 2009 through September 30, 2010 (see **Table 9**).

Table 9
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.

States are allowed to use federal Temporary Assistance for Needy Families (TANF) block grant funds to subsidize child care. (TANF was created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and replaced the Aid to Families with Dependent Children (AFDC) program and Job Opportunities and Basic Skills (JOBS) program.) States may transfer up to 30 percent of TANF funds into the Child Care and Development Block Grant (CCDBG), and may also spend TANF funds directly on child care. While states have considerable flexibility under TANF, they must have a certain percentage of recipients participate in work related activities for a minimum number of hours per week: parents of children under six years old must engage in specific work related activities for at least 20 hours per week, but single parents with children under one year old may be exempted from work requirements.[22]

In FY 2009, the American Recovery and Reinvestment Act appropriated an additional $2 billion in Child Care and Development Fund (CCDF) discretionary funding as part of the economic stimulus package; Michigan received $58.7 million of the $2 billion. This funding was intended to supplement, not supplant, state funds for child care assistance for low income families, and provided states with an opportunity to expand services to additional children and to improve the quality of child care.

At least four percent of CCDF funds must be used by states to improve the quality of child care and to

Table 10
Child Care and Development Fund
Average Monthly Payment* to Provider, FFY 2008

Age Group	Child's Home	Family Home	Group Home	Center	Weighted Average
0 to <1	$305	$397	$515	$495	$455
1 to <2	316	411	548	502	470
2 to <3	313	397	516	480	455
3 to <4	297	384	502	456	437
4 to <5	299	372	482	449	428
5 to <6	289	345	454	395	380
6 to <13	268	306	389	304	305
13+ yrs	258	299	424	315	302
National	285	354	471	414	392

*Payment on a per child basis

Source: U.S. Department of Health and Human Services, Office of Child Care, FFY 2008 CCDF Data Tables.

Table 11
Michigan CDCP Program Income Eligibility, 2010-11

Family Size	State Median Income ($/Month)	CDCF Program Threshold ($/Month)
1	$3,256	$1,607
2	4,258	1,607
3	5,260	1,990
4	6,262	2,367
5	7,264	2,746

Source: State of Michigan, Child Care and Development Plan for: Michigan, FFY 2010-2011, Table 3.3.2.

provide additional services to parents. These activities may include development and operation of child care referral programs and providing training in health and safety, nutrition, first aid, recognition of communicable diseases, child abuse detection and prevention, and care of children with special needs.[23] Quality improvements may also include grants and loans to providers and compensation projects.[24] In 2008, Michigan spent $39.1 million on child care quality activities.

States have significant discretion in setting payment levels to providers, but must certify that payment rates are sufficient to ensure that participating families have access to child care services that is equal to that non-subsidized families have.[25] In 2008 nationally, the average monthly payment to child care providers varied by age group and by type of care (see **Table 10**).

Further federal support for child care is provided through the Child and Dependent Care Tax Credit and the Child and Adult Care Food Program.

Child Care Subsidies in Michigan

States set their own eligibility rules for CCDF assistance within broad federal guidelines.[26] Some states have adopted quality rating and improvement systems that rate child care providers, and limit child care subsidies to those providers with specified quality ratings. Michigan has opted for a different approach.

The Michigan Department of Human Services (DHS) is the lead agency for this state's Child Development and Care 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). (See **Table 11**.)

Family Independence Program recipients, Supplemental Security Income (SSI) recipients, licensed foster parents, and prevention and children's protective services families are categorically eligible for CDCP. All eligible applicants are currently being served. In May, 2010, there were 57,674 Michigan children aged six and under receiving child care subsidies from CDCP (see **Table 12**).

Table 12
Child Development and Care Program Recipients by Age, May 2010

Under 1 Year	4,597
Age 1	8,328
Age 2	9,764
Age 3	9,985
Age 4	9,548
Age 5	8,167
Age 6	7,285

Source: Michigan Department of Human Services, Green Book Report of Key Program Statistics, May 2010.

States are required to establish a sliding fee scale that provides for cost sharing by families.[27] DHS pays less than the full cost of child care for most qualifying families: 66 percent of Michigan families that receive CDCF child care subsidies have a copay. The parent is responsible for any child care charges not paid by DHS and any child care provided while the parent is not in a DHS approved activity. The parent chooses a child care provider, which may be a relative or friend, a family or group home, or a child care center.

Table 13
DHS Hourly Rates for Child Development and Care Program Effective March 7, 2010

	Child's Age	
Provider Type	**0-2 ½**	**2 ½ +**
Child Care Center	$3.75	$2.50
Family and Group Homes	$2.90	$2.40
Aides/Relatives	$1.85	$1.60

In order to be a DHS enrolled day care provider, an individual must sign a statement certifying that he or she meets the criteria established and agrees to the conditions of the program. Aide and relative care providers are required to complete a free, six-hour basic training program, and can earn an extra $ .25 per hour by completing 10 more hours of approved training per year. Child care centers and group child care homes must be licensed to receive payments; family child care homes must be registered.

DHS reimbursement rates depend on the type of provider and the age of the child, and may be 70 to 100 percent of the rates shown in **Table 13**.

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). Michigan pays the largest proportin of CDCF funds to relatives and day care aides in the U.S. Many states do not allow payments to friends and family and only pay for higher quality care. A major public policy issue is whether Michigan should continue to pay low subsidies for poor quality care, or increase subsidies and only pay for higher quality care. In 2008, the number of Michigan child care providers (not children) receiving CDCF funds was as shown in **Table 14**.

A major public policy issue is whether Michigan should continue to pay low subsidies for poor quality care, or increase subsidies and only pay for higher quality care.

The emphasis of CDCF is on child care, not school readiness. Low income parents, even with a subsidy, often cannot afford child care that delivers educational quality and school readiness.[28] In Michigan, there is some coordination of the CDCF program with other programs and funding streams that do emphasize academic readiness.[29]

Table 14
Michigan Child Care Providers Receiving CDCF Funds, 2008

Child's Home	22,593
Family Home	30,121
Group Home	2,500
Center	2,408
Total	57,622

Licensing Child Care

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. Nationally, more than 11 million children under the age of five spend an average of 36 hours each week in some kind of child care, almost two-thirds in center-based care. About $12 billion in government funds are spent on child care annually. According to the National Association of Child Care Resource and Referral Agencies, nationally, 66 percent of children receiving CCDBG subsidies are in license-exempt care, which is care that is operating legally, but not subject to state licensing standards or regulation.[30]

States license child care facilities to ensure that minimum requirements are met. There were 325,289 licensed child care facilities in the U.S. in 2007. While 78 percent of slots were in child care centers, 61 percent of facilities were family child care (FCC) homes or group child care homes (See **Table 15**).

Of the 50 states, only Idaho does not license child care centers at the state level. Idaho, Louisiana, and New Jersey do not license family child care homes, although Louisiana has a registration process for small FCC homes that receive CCDA subsidies, and New Jersey has a voluntary registration process for some FCC homes. Seven states do not license small FCC homes and 12 states do not license large/group FCC homes. State licensing agencies (except Idaho and Florida) assign staff to inspect child care facilities to ensure compliance with regulations prior to issuing a new license, at the time of license renewal, or for compliance at other times, though several states do not conduct initial FCC home inspections.

Table 15
Licensed Child Care Facilities in the U.S., 2007

	Number of Facilities	Number of Slots
Child Care Centers	110,252	7,371,751
Small Family Child Care Homes	147,327	1,126,214
Large/Group Family Child Care Homes	49,967	570,800
Sub Total Family Child Care Homes	197,294	1,697,014
Other Licensed Facilities*	17,743	434,946
Total	325,289	9,503,711

* Includes part day preschools, nursery schools, school-age care facilities, registered FCC homes, Head Start programs, child placing agencies, residential programs, and others

Source: The National Association for Regulatory Administration, *The 2007 Child Care Licensing Study*.

In-Home Providers and Child Care Homes in Michigan

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. However, a person providing "baby sitting" services for less than $600 annually does not need to be licensed, and child care homes and centers located on military installations or tribal reservations, and at sites where the parents of the children are available on-site, are not required 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.

Generally, it is illegal in Michigan to provide child care services, for even one unrelated child, without being registered or licensed by the Bureau of Children and Adult Licensing of the Michigan Department of Human Services.

In-Home Aides

In-home day care aides are exempt from licensing rules, but those receiving payment from the state through the Child Care and Development Program must register and certify that they have the required qualifications and that they agree to the state's rules and restrictions. Providers who receive state payment must be at least 18 year old. The Early Childhood Investment Corporation administers free, six-hour classes (Great Start to Child Care Quality Training) providing training in nutrition and first aid that must be completed by home day care providers who receive payment through the state. In 2008, 25 percent of children served by the Child Care and Development Fund received care in their own home by a relative and two percent received care in their own home by a non-relative.[31]

Relative Provider Child Care Homes

These are private homes in which a relative who does not live with the child provides child care. Relative care providers are exempt from licensing rules, but those receiving payment from the state through the Child Care and Development Program must complete the free six-hour basic training requirement, and certify that they have the required qualifications and that they agree to the state's rules and restrictions. Relative providers must be at least 18 years of age and enrolled with the Department of Human Services to receive child care payments from the state. In 2008, 37 percent of children served by the Child Care and Development Fund received care by a relative in the relative's home.[32] All household members in a **relative provider child care home** must pass a criminal background check.

In home aides and relative providers can earn an extra 25 cents per hour by completing ten additional hours of approved training per year.[33]

Effective April 1, 2009, the adult/child ratio for in-home aides and relative care givers changed from allowing six children to four children at a time, unless an exception is granted by the state. If all of the children are migrant children or siblings, the ratio is one to six.

Child Care Family Homes

These are private homes in which up to six children (including the caregiver's children) receive care and supervision for periods of less than 24 hours a day, for compensation. In 2008, there were 10,285 child care family homes in Michigan, with slots for 81,515 children. The average cost for an infant in a child care family home was $6,708, and for a four-year-old, $6,448.[34]

Family homes must be registered if they charge for the care for even one unrelated child. Nine other states either do not license small family child care homes or allow more than six children to be cared for in a home without requiring licensing. Michigan is one of 13 states that require licensing for the first child in care, and one of nine states that met each of the NACCRRA ten health and safety requirements.

Family child home providers must certify that they and their homes are in compliance with DHS rules. Within 90 days of a home being registered, it is inspected by a licensing consultant to ensure compliance. (Michigan is one of only eight states that do

not require family child care homes to be inspected or visited prior to issuance of a license or certificate of registration.) Although the state does not inspect the home before registration, and routine inspections are required only once every ten years, unannounced inspections do result if there is a complaint. While about half of the states do not conduct annual inspections, all other states require routine inspection visits more frequently than Michigan does. Partly based on Michigan's weak inspection standards, NACCRRA ranked Michigan's regulation of child care family homes 36th of the 52 entities (50 states, the District of Columbia, and the Department of Defense) that were evaluated.

The provider must complete 14 hours of initial training and 16 clock hours of training each year, and assistant care givers must complete five clock hours of annual training. NACCRRA recommends 40 or more hours of initial training including CPR, first aid, child development, child abuse prevention, learning activities, health and safety, child behavior/guidance, and business practices, but 11 states do not require any initial training for individuals to become licensed to operate a family child care home, and three states do not require any annual training.

Michigan is one of 17 states that requires family child care home providers to have a GED or high school diploma. The state requires background checks based on fingerprints for the child care provider and assistants, though juvenile records are not explicitly included.

Licensing rules for family and group child care homes require provision of early language and literacy experiences throughout the day, accumulating to not less than 30 minutes, and early math and science experiences. In Michigan, family child care homes are required to have books and specific toys and materials for motor development, language and literacy, art, math, science, and dramatic play. Only 14 states require providers to read to children, and only 9 require pre-math activities such as counting.

In 2008, six percent of children served by CCDF were in family child care homes.

Child Care Group Homes

These are private homes in which two or more caregivers provide care for more than six but not more than 12 minor children for periods of less than 24 hours a day (an assistant caregiver between 14 and 18 years old must always be under the supervision of an adult caregiver or adult assistant caregiver), for compensation. The caregiver must complete 10 clock hours of training each year, and assistant caregivers must complete five clock hours of training; these hours do not include the required training in CPR, first aid, and blood-borne pathogens. The ratio of care giving staff to children may not exceed one to six.

Child care group homes must be licensed. An on-site inspection of the home ensures compliance with the law and rules, and precedes issuance of a six-month provisional license. Prior to expiration of the six-month provisional license, the provider submits a renewal application and another on-site inspection occurs. If the applicant is still in compliance, a two-year regular license is issued.

The Licensing Rules for Family and Group Child Care Homes[35] require maintenance of specific records of staff and the home, and of the children. There are special rules for children under 30 months of age and for infants under 12 months. There are rules about discipline and child handling, and about daily activities, about the use of television, bedding and sleeping equipment, access to a telephone, administration of medication, indoor and outdoor spaces, nighttime care, hand washing, food preparation, firearms, animals and pets, smoke detectors, requirements for parent notification and state notification, and a host of other requirements.

In 2008, 11 percent of children served by CCDF were in child care group homes.

Child Care Centers

Child care centers are facilities that are not private residences, where care is provided to one or more preschool or school-age children for periods of less than 24 hours a day, and where the parents or guardians are not immediately available to the child. Child care centers, which include preschools, nursery schools, before- and after-school programs, Great Start and Head Start programs, must be licensed. In 2008, 18 percent of children served by CCDF were in child care centers.

There are two very different models of center-based child care in the U.S.: one for disadvantaged children and poor families (generally publicly funded, including the federal Head Start programs and Michigan's Great Start Readiness Program), and one for children of middle and upper income families (generally privately funded). Public funds have been directed to programs for disadvantaged and/or disabled children to reduce cognitive and social deficiencies at school entry and to help low income working parents by providing child care, parenting advice and support, and referrals to social services. Privately funded pre-kindergarten has focused on socialization and educational experiences for advantaged children from middle and upper income families. This division has existed from the earliest days of organized preschool activities.

There are two very different models of center-based child care in the U.S.: one for disadvantaged children and poor families, and one for children of middle and upper income families.

Center-based child care for disadvantaged children and poor families has a long history: the first child care center for poor children in the U.S., the Boston Infant School, for children 18 months to four years old, was opened in 1828 to allow mothers to work. The first day nursery in the U.S. opened in 1856 in New York City, affiliated with New York Hospital and focused on hygiene and custodial care of children of poor women, who were taught parenting skills and provided employment services. The first publicly supported child care center opened in 1870 in St. Louis, serving children as young as two. The number of day nurseries increased during the 1880s and 1890s in response to the language and socialization needs of the children of poor European immigrants.

In 1915, a very different kind of nursery school was organized by a group of faculty wives at the University of Chicago in order to provide their children with opportunities for play and socialization. The ensuing nursery school movement of the 1920s was focused on the social and educational enrichment of children from middle and upper income families. During this period, a number of schools based on the work of Italian physician Maria Montessori were established for children aged three through five. Subsequently, the number of private for-profit and nonprofit child care centers increased to meet ever increasing demand.

The Economic Opportunity Act of 1964 and the Elementary and Secondary Education Act of 1965, part of President Lyndon Johnson's War on Poverty, provided federal funds for preschool for disadvantaged children. Head Start evolved from the Community Action Programs of the Economic Opportunity Act of

Table 16
Location of Center-Based Child Care

	Percentage of Children
Stand-alone Building	38%
Church, Synagogue, or Other Place of Worship	25
Public School	17
Private School	9
Community Center	3
All Other Locations	10

Source: National Center for Education Statistics, Initial Results from the NHES Early Childhood Participation Study, Table 14, http://nces.ed.gov/pubs2006/earlychild/tables/table_14.asp.

1964. Forty states and the District of Columbia have developed publicly funded preschool programs to serve additional numbers of disadvantaged children.

By 2005, 7.4 million children attended both privately and publicly funded center-based programs that were located in a variety of settings (See **Table 16**).

Attendance

From 1995 to 2005, the overall proportion of children attending center-based programs was relatively stable, though larger proportions of Black and Hispanic children attended center-based programs in 2005. A larger proportion of children from non-poor families attended child care centers, and the percentage of children attending child care centers increased as the mothers' educational level increased. (See **Table 17**.)

In 2005, 57.1 percent of all three- through five-year-old children who had not yet entered kindergarten attended center-based programs: 35.4 percent of all three- through five-year-olds attended less than 30 hours per week and 21.4 percent attended 30 or more hours per week. Larger proportions of three- through five-year-old children in families above the poverty line attended pre-K programs less than 30 hours per week (38.3 percent of children in families above the poverty threshold versus 25.3 percent of children in families below the poverty line). The proportion of three- through five-year old children in families above and below the poverty line attending pre-K programs for more than 30 hours per week was about the same (21.4 percent of those in families above the poverty line versus 21.5 percent of those in families below the poverty line). (The total proportion of children, 57.1 percent, includes some for whom the provider did not specify the number of hours per week.)[36]

Licensing Child Care Centers

Federal law requires states to regulate child care facilities in three areas: prevention and control of infectious diseases; building and physical premise safety; and health and safety training appropriate to the program. States establish rules and regulations for licensing the 335,000 child care facilities in the U.S. within the broad federal requirements. These rules and regulations concern adult-to-child ratios,

Table 17
Percentage of Children Ages 3 through 5 in Center-Based Pre-Kindergarten in 1995 and 2005

	1995	2005
Total	55%	57%
Poverty Status		
Poor (Below the Poverty Threshold)	45%	47%
Non-poor (At or Above the Poverty Threshold)	59	60
Race/Ethnicity		
White	57%	59%
Black	60	66
Hispanic	37	43
Mother's Education		
Less than High School	35%	35%
High School Diploma or Equivalent	48	49
Some College, including Vocational/Technical	57	56
Bachelor's Degree or Higher	75	73

Source: National Center for Education Statistics, Fast Facts, http://nces.ed.gov/fastfacts/display.asp?id=78.

background checks, care giver training, inspections, health and safety requirements, learning opportunities and child development, and parent communication and involvement.[37]

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. Licensing rules are available online at www.michigan.gov/michildcare, and include sections on staff qualifications, training and responsibilities; staff-to-child ratios and group size; space and equipment; programs and care; discipline; nutrition and health care; records; transportation; fire safety and environmental health. The licensing process may take up to six months after a complete application is submitted, and the cost of inspections and fees may range from $1,470 to $4,830. Annual inspections are conducted, and inspections are also conducted if a complaint is received by the state. Michigan is one of 17 states that inspect child care centers annually; eight states require inspections less than once a year.

Michigan requires child care facility directors to have a Child Development Associate (CDA) credential and additional credit hours in early childhood education. In Michigan, lead teachers are not required to have a CDA and need only to have graduated from high school or obtained a GED.

Michigan requires child care facility directors to have a Child Development Associate (CDA) credential and additional credit hours in early childhood education. Nearly all states incorporate a requirement for a CDA credential in their childcare center regulations. This credential certifies that the individual has completed an assessment process, met national competency standards, and has been awarded the CDA credential by the Council for Early Childhood Professional Recognition. The assessment consists of a combination of work experience, supervised training, and 12 to 15 course credits, and involves considerably less formal education than an Associate's degree. A number of community colleges, career schools, and other organizations provide training and materials to those desiring to be certified. Applicants must be at least 18 years old, have a high school diploma or GED, have 480 hours of experience working with children in the past five years, and have 120 hours of formal child care education (credit or non credit, may be in-service) in the past five years. There are more than 200,000 individuals who have CDA credentials in the U.S.

In Michigan, lead teachers are not required to have a CDA and need only to have graduated from high school or obtained a GED (35 states do not require child care providers even to have a high school degree). Training in health and safety, first aid, and CPR is required. All staff are required to pass an extensive criminal background check.

Rankings and Comparisons

In 2009, NACCRRA evaluated and ranked states' (as well as the Department of Defense, which ranked first, and the District of Columbia, which ranked second) child care regulation and oversight on a 150-point scale. Michigan achieved 92 out of a possible 150 points, and ranked 16th overall of the 52 entities evaluated (Michigan ranked 13th in oversight and 25th in standards). This state scored well in licensing all centers and family child care homes, requiring licensing staff to have a bachelor's degree in a related field, requiring criminal background checks for

Table 18
Comparison of Michigan Child-Staff Ratios with Other States

Age of Children	Michigan Standard	Number with Same Ratio As MI	Number of States with Lower Ratio	Number of States with Higher Ratio
6 Weeks	4:1	33	3	14
9 Months	4:1	32	3	15
18 Months	4:1	14	1	35
27 Months	4:1	5	none	45
3 Years	10:1	22	10	18
4 Years	12:1	14	18	18
5 Years*	12:1	7	7	36

* 5 year olds who are not age eligible for kindergarten
Source: NCCIC and NARA, *Findings from the 2007 Child Care Licensing Study*, Table 27, Center Child-Staff Ratio Requirement in 2007, 2008.

child care providers in centers, and in basic standards for health and safety. The state did not meet NACCRRA standards for licensing staff ratios and group size compliance, and met other standards in varying degrees. Michigan is one of six states in which the caseload for state licensing staff exceeds 220 (NACCRRA recommends caseloads of no more than 50 per licensing staff person).

A 2007 child care licensing study reported center child-staff ratio requirements for each of the 49 states that have licensing requirements (Idaho does not) and the District of Columbia. (See **Table 18**.)

As reflected in Table 18, Michigan generally allows relatively few children per adult caretaker, compared to other states.

Michigan's Early Childhood Care Complex

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. According to the Education Commission of the States:

> When addressing the needs of young children, public policy must look beyond simply creating preschools. High-quality programs for young children also must consider the health, social and emotional needs of the children they serve. A number of disparate programs currently exist at the federal, state and local levels that address the many and varying needs of young children. The foremost challenge for policymakers at this juncture is to coordinate these programs and services into a cohesive, high-quality, easily accessible system of services.[38]

Michigan's Great Start initiative has as its mission "to assure a coordinated system of community resources and supports to assist all Michigan families in providing a great start for their children from birth through age five." The initiative seeks to develop a single, interconnected network of public and private services and supports working together in every community to accomplish better results for young children and families. In addition to child care and early education services that support the early learning, health and social-emotional well-being of infants and young children, the system includes components that address pediatric and family health, social and emotional health, parenting support, and family support (basic needs).

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The Great Start Readiness Program for disadvantaged four-year-olds (described in detail in CRC Report No. 366, Early Childhood Education) is a key component of the system of early childhood care and education in Michigan. The following organizations are also part of Michigan's effort to coordinate and improve child care programs.

Great Start Early Learning Advisory Council

The federal Head Start Act required governors to designate or establish a State Advisory Council on Early Childhood Education and Care to improve the quality, availability, and coordination of services for children from birth to school entry. "The overall responsibility of the State Advisory Council will be to lead the development or enhancement of a high-quality, comprehensive system of early childhood development and care that ensures statewide coordination and collaboration among the wide range of early childhood programs and services in the State, including Head Start, IDEA preschool and infants and families programs, and pre-kindergarten programs and services."[39] The American Recovery and Reinvestment Act included funds for grants to states to support the activities of these state advisory councils.

Michigan's Great Start Early Learning Advisory Council (ELAC) is composed of about 23 people who serve on a voluntary, unpaid basis. Council members represent a broad range of constituencies, including education, child care, Head Start, higher education, state government, foundations, and parents. The intent of the council is to provide advice that results in improved coordination and quality of early learning programs and services. According to its website,

> The Great Start Early Learning Advisory Council is committed to assuring that all Michigan children arrive at kindergarten – safe, healthy and eager to succeed. The Council's goal is to meet the early learning needs of all children from birth to age five and their families by establishing a high quality, accessible and comprehensive statewide early learning system. The Council advises on collaborative efforts to coordinate, improve, and expand existing early learning programs and services, including making use of existing reports, research and planning efforts.

The Great Start Early Learning Advisory Council will provide advice that leads to the improvement of the coordination and quality of early learning programs and services for children from birth to school entry. The Great Start ELAC will base such advice on the following activities:

- Conducting of periodic needs assessments on the quality and availability of early childhood education and development programs.
- Identification of opportunities for, and barriers to, collaboration and coordination among federally funded and state-funded programs for early learning.
- Development of recommendations for:
    1. Increasing participation of children in existing federal, state and local child care and early education programs, including outreach to underrepresented and special populations.
    2. The establishment of a unified data collection system for public early childhood education and development programs.
    3. A state-wide professional development and career advancement plan for early childhood educators.
    4. Improvements in state early learning standards.
- Assessment of the capacity and effectiveness of two and four year public and private institutions of higher education in the state toward the development of early childhood educators.[40]

Early Childhood Investment Corporation

The Early Childhood Investment Corporation (ECIC) was established in 2005 as a nonprofit public corporation to coordinate state and local efforts to promote early childhood development activities in Michigan. It is responsible for establishing standards and guidelines for early childhood development activities to be implemented throughout the state in partnership with local intermediate school districts, and is funded by public and private funds. ECIC is part of the state effort to integrate early childhood education and related family services. ECIC awards competitive grants to eligible intermediate school districts to develop a comprehensive system of early childhood services and supports. It serves as the focal point and coordinating entity for early childhood programs, charged with implementing a Great Start System for children from birth through five years old.

The Early Childhood Investment Corporation (ECIC) was established in 2005 as a nonprofit public corporation to coordinate state and local efforts to promote early childhood development activities in Michigan.

The Early Childhood Investment Corporation serves as the home for the Great Start Early Learning Advisory Council and supports the statewide network of local Great Start Collaboratives and Great Start Parent Coalitions.

Great Start Collaboratives

The 55 Great Start Collaboratives (GSCs) were designed to serve as the local infrastructure or community focal points for early childhood. Each GSC includes parents, educators, business and community leaders, clergy, law enforcement, philanthropic organizations, local public agencies, and others in an effort to address early childhood issues. These parents and community leaders are asked to assess the problems facing local children and their families, then devise and implement community improvement strategies to help address the problems. GSCs also work on public education, public will, and resource development.

Each of the Great Start Collaboratives has connections to the local partners who support child care providers and families and can identify local solutions to barriers. The Great Start Collaboratives bring this local expertise to the ten Great Start Regional Child Care Resource Centers.

Great Start Regional Child Care Resource Centers

Ten Great Start Regional Child Care Resource Centers are responsible for coordinating services regionally for child care providers and families and for improving early learning experiences for Michigan infants, toddlers, and preschoolers by bringing together supports and services for child care provid-

ers in center-based and home-based care, and for families who use child care. These centers are tasked to provide personal assistance for families with child care referral needs and to implement a Regional Child Care Quality Improvement Plan related to supports and services for child care providers, including:

- Professional development and training opportunities,
- Child development materials and information,
- Individual support to improve quality, and
- Lending libraries of early childhood materials to improve the early learning setting.

Great Start Regional Child Care Resource Centers provide state mandated training in first aid and CPR for relative and aide child care providers.

Great Start Regional Child Care Resource Centers provide state mandated training in first aid and CPR for relative and aide child care providers. Resource centers coordinate with community partners and offer professional development and training for licensed child care providers.

Great Start CONNECT

The Resource Center at Central Michigan University maintains the Great Start CONNECT website that accesses the licensed child care provider search database, the professional development registry, connections to resources across the state, and consumer education information about quality child care and child development.

The ECIC launched Great Start CONNECT to help link parents and those caring for young children with the resources, supports and services they need. Families can access the database at any time to search for and contact child care providers who match their needs.

Teacher Education and Compensation Helps

The T.E.A.C.H. program offers tuition scholarships and financial support for directors, teachers and family child care providers in early care and education programs to continue their education. Funding is provided to attend participating community colleges and universities with early childhood programs. The program is funded by the Early Childhood Investment Corporation using the Child Care and Development Block Grant.

According to the website:

As the problems of low compensation, high turnover and insufficient education continue to plague the child care workforce on a national level, the T.E.A.C.H. Early Childhood® Project provides a structure for a comprehensive sequence of early childhood professional development opportunities in a growing number of states. The project recognizes the diverse educational backgrounds of the early childhood workforce and provides scholarship programs appropriate for child care providers with no formal education beyond high school as well as scholarships designed to provide education for degree seeking participants.

T.E.A.C.H. is a unique scholarship opportunity because it ties education to compensation. Not only does it pay for most of the cost of tuition, books and travel, it also often requires and supports paid release time. In addition, increased compensation is awarded upon attainment of a prescribed number of credit hours. T.E.A.C.H. thus not only impacts individuals, but impacts child care programs by addressing the retention of staff in child care programs. In addition, T.E.A.C.H. creates a demand for coursework that builds the capacity of educational institutions in local communities.

Child Care Services Association (CCSA), in North Carolina, ensures the quality and consistency of the T.E.A.C.H. Early Childhood® Project by acting as a third party evaluator, monitoring all licensed T.E.A.C.H. programs. Each state that participates signs a Letter of Agreement and follows a license agreement.

T.E.A.C.H. Early Childhood® is an outcomes based program. Detailed reports on educational

attainment, increased compensation and retention rates as well as program costs are calculated on a regular basis.

Child Care Enhancement Program

CCEP provides infants and toddlers, their child caregivers, and families with supports to enhance social and emotional health and development. CCEP services are statewide.

The Child Care Enhancement Program (CCEP) is an early childhood mental health consultation program that serves children in informal child care (DHS-enrolled relative care providers and day care aides) and in formal child care (licensed centers, licensed group homes and registered family homes). The overall goal of consultation is to help adults *promote* the social-emotional health of infants and toddlers (birth-36 months) in their care and to *prevent* longer term challenges for children later on in life. Sometimes children's behavior is worrisome or challenging to families and providers, maybe a young infant is inconsolable, an older infant isn't wanting to engage in play or a toddler is biting all the time, CCEP can help in situations like this.

A child must be receiving or be eligible to receive the DHS child care subsidy in order to be eligible for CCEP services. CCEP consultants provide mental health consultation services for child care providers, parents, and infants and toddlers, using techniques appropriate to the child care setting and the child's home.[41]

The following organizations are part of Michigan's effort to improve the knowledge, skills, and resources of parents:

Great Start Parent Coalitions

Seventy Great Start Parent Coalitions have been convened to serve as local volunteers to inform the work of the Great Start Collaboratives, to educate community and state leaders, and to advocate for early childhood issues. Membership is open to anyone serving in the parenting role for a child under the age of 12.

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According to the website, Great Start Parent Coalitions:

Are key advocates on the issues of early childhood in their community, their state—even nationally. For example, some advocate for sustainable, permanent funding to support the promotion of social and emotional health in all young children. Others identify and recognize "family-friendly" workplaces in the Great Start Collaborative area. They may educate others in their community about the importance of brain development, the need to act early when developmental issues arise, and the need for a coordinated network system of early childhood services and supports.

Develop and execute a cohesive annual work plan to keep the needs of Michigan's youngest citizens where they should stay: front and center!

Are parent-driven, composed of parent volunteers, and have a flexible approach to building a diverse membership. The parent members create the vision, plan of work and agendas for GSPC activities and meetings. A key element of support for the Great Start Collaboratives, they help advance local activities and initiatives by lending support and expertise. Each local GSPC is composed of parent volunteers—members are not paid to participate. The membership and leadership of the local GSPCs strive to represent the wide diversity of the parents of young children in their community— including but not limited to cultural, socio-economic, geographic, and gender.

Are members of the ECIC learning community. Each Parent Coalition has a Parent Liaison/Coordinator, who is a member of the ECIC learning community for Parent Liaisons. ECIC Parent Liaison learning community members share their successes, challenges and lessons learned with each other at technical assistance

meetings scheduled throughout the year. A learning community is composed of peers, and seeks to honor the individual unique gifts/talents/culture of each community, while recognizing that there are similarities that make learning together helpful to the success of all.

Are supported by the Early Childhood Investment Corporation. Support may come in the form of staffing to assist in executing the parent coalitions' mission, removing barriers to participation, hospitality for meetings, childcare for sponsored meetings and events and/or professional development and training.

Great Parents, Great Start Grants

The State of Michigan currently allocates $5 million for Great Parents, Great Start grants to intermediate school districts to provide programs for parents of children who are five or younger. These programs are "to encourage early mathematics and reading literacy, improve school readiness, reduce the need for special education services, and foster the maintenance of stable families by encouraging positive parenting skills."[42] Grants require a 20 percent local match, and programs must be coordinated with other preschool programs. For 2010-2011, intermediate school district grantees may only request an amount not to exceed the district's 2009-2010 Section 32j payment.

Programs are required to provide the following services to families based on need:

(a) Provide parents with information on child development from birth to age five.

(b) Provide parents with methods to enhance parent-child interaction that promote social and emotional development and age-appropriate language, mathematics, and early reading skills for young children; including, but not limited to, encouraging parents to read to their preschool children at least 1/2 hour per day.

(c) Provide parents with examples of learning opportunities to promote intellectual, physical, and social growth of young children, including the acquisition of age-appropriate language, mathematics, and early reading skills.

(d) Promote access to needed community services through a community-school-home partnership.

A Michigan State University evaluation of the collaborative structure used by ISDs in the 2006-2008 program years found a diversity of approaches used by grantees to organize and deliver parenting education and family support services. The evaluation, which was based on self-reported information contained in grant continuation proposals, found four common program elements: information and materials distribution, referrals, home visits, and parent-child play groups.[43] An evaluation of the 2008-09 program year focused on parents' opinions of services received, and found that among survey respondents receiving home visits and participating in parent-child playgroups, parents were very satisfied with parenting services received from the program and were more likely to be receiving other early childhood services such as immunizations, vision/hearing screening, doctor's visits, and help related to child health insurance.[44]

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's efforts to license, regulate, and inspect these providers are intended to protect children's safety and welfare, but reported caseloads of 220 per state licensing staff person raise questions about the effectiveness of enforcement. All child care facilities, including family child care homes, should be inspected at least annually to ensure compliance with health, safety, and program standards. Technical assistance and consultation should be available to prevent or correct problems.

Some states have adopted quality rating systems (QRS) that evaluate and rate child care facilities using quality indicators, assist with improvement efforts or refer the provider to another organization that assists with improvements, disseminate ratings to parents and other consumers, and provide financial incentives to promote participation.[45] Because the quality of child care varies, providing information to parents and offering assistance to providers to improve the quality of care, can have beneficial effects, especially if it raises the quality of child care that is available to disadvantaged children.

From a public policy perspective, ensuring that young children have the kind of care that prepares those children to be successful in school and in life, is a wise investment. 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. There is a delicate balance between affordability and quality, but raising standards to require that both home-based and center-based caregivers have more rigorous training would be expected to improve the quality of care. Michigan Virtual University could be encouraged to provide professional development opportunities leading to accreditation for home-based child care givers through the Michigan Virtual School.

From a public policy perspective, ensuring that young children have the kind of care that prepares those children to be successful in school and in life, is a wise investment. The multifaceted Great Start initiative should be reviewed to determine whether it is accomplishing the goals proposed for it, or whether a simpler structure, or another entity, could more efficiently deliver services, including referrals, to families with young children.

The quality of a child's earliest relationships and care is critically important, as is a healthy environment, good nutrition, and positive learning opportunities. Although most of the public funding used to subsidize child care comes from the federal government, the State of Michigan does contribute matching and maintenance of effort funds to the $355 million program. 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. Consideration could be given to establishment or expansion of child care programs in public schools, both to provide quality care to young children and to educate future caregivers. Consideration should be given to expanding the Great Start Readiness Program to three-year-olds.

State efforts to coordinate the highly decentralized child care sector, and federal funding requirements, have resulted in a complex of organizations and programs. As with quality rating systems, a comprehensive system of public and private child development services and supports is useful only if families with

young children are aware of the system and able to access resources. The multifaceted Great Start initiative should be reviewed to determine whether it is accomplishing the goals proposed for it, or whether a simpler structure, or another entity, could more efficiently deliver services, including referrals, to families with young children. 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.

Research on the outcomes of high quality early childhood intervention programs has raised a number of public policy issues, including the proper role of the state and federal governments in regulating and funding programs, how best to address the achievement gap, and the long-term effects and societal costs of early childhood poverty. These policy issues are informed by research on the factors that influence how children learn, and on the longer-term effects and costs of different early childhood experiences. Neuroscience and developmental psychology research has shown that early childhood is the time when the foundations of cognitive development, emotional well-being, and health are built into the brain. Interventions that focus on both the child's and the parent's needs have proven effective in boosting children's later achievement and in reducing costs associated with school failure, crime, and welfare. These and other issues are addressed in a companion report, *Early Childhood Education in Michigan*, Report Number 366, which describes efforts to ensure that all children enter school ready to learn and prepared to succeed.

Michigan is traveling various policy trails with regard to the care of young children. One trail is the licensing and regulation of child care providers, to ensure both quality and availability. Another is the coordination of the system of care, which has led to a jumble of organizations and efforts. Still another trail is the need to improve the school readiness of disadvantaged children. The challenge is to use limited state and federal resources to best serve the physical, emotional, and cognitive needs of young children to ensure that they are healthy, well-adjusted, and ready for kindergarten.

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