Early Childhood Education and Care: An Economic Development Strategy for Michigan

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Michigan Family Impact Seminars
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**Esther Onaga, PhD**, is Acting Director of the Institute for Children, Youth and Families and Associate Professor in the Department of Family and Child Ecology at Michigan State University. She has conducted a number of research projects on children, youth and adults with disabilities. She has co-authored a book, *Children with Special Needs*. She is currently working on a survey of parents of special education youth in Michigan and on the Inclusive Early Childhood Education Project.

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Executive Summary

Betty Tableman

Policymakers in a number of states concerned with economic development, welfare dependency, and school readiness are taking a fresh look at early childhood education and care. These out-of-home services for infants, toddlers and preschool children in Michigan—child care centers, Head Start, Michigan School Readiness Program, family day care homes, and group homes—are relevant to multiple societal needs:

- **Enabling parents to work**—almost two-thirds of young children in Michigan families do not live with a stay-at-home parent.
- **Providing an opportunity to promote the sound development and school-readiness of young children**, especially disadvantaged and vulnerable children.
- **Contributing to the economy**, with local ripple effects larger than those of most other industries.

**High quality early childhood education and care is a sound economic investment.** At the Family Impact Seminar, Larry Schweinhart, Director of Michigan’s High/Scope Educational Research Foundation, reported on the $17 return for every $1 expended in the High/Scope Perry Preschool Project ($2000). Anne Mitchell, from Early Childhood Policy Research and the Alliance for Early Childhood Finance, reported that New York state estimated the savings to public education alone at 40 to 60 percent of the cost because of fewer students being retained or needing special education services.

The 40 year follow-up of the high-risk 3 and 4 year olds who were enrolled in the High/Scope Perry Preschool Project documents a return of $12.90 to the public in reduced crime, increased school achievement and graduation, reduced welfare costs, additional taxes, and $4.10 per hour to participants in increased earnings. These outcomes resulted from quality care: children participated in their own learning by planning, doing and reviewing their activities; there were bachelor-trained teachers with one teacher to every 8 children; teachers received in-service training, support, and supervision; and teachers discussed children’s development with parents. See Chapter 2 for further information.

Although early childhood education and care is already a multi-billion dollar industry in Michigan, the availability, accessibility and quality of care provided varies widely. Despite current initiatives to improve coordination, build infrastructure and improve quality, there is much work to do to ensure that all early childhood education and child care meets sufficiently high quality standards to adequately prepare a child to succeed in school. See Chapter 1 for information on Michigan.

Anne Mitchell reported on efforts in Illinois, North Carolina, and Rhode Island to build infrastructure (i.e., system and workforce development) and high quality early childhood education and care. See Chapter 3 for information about these states. She suggested the following policy ideas for exploration in Michigan:

- **Take a systems perspective**, providing for a range of options for children from birth to five.
- **Expand pre-K education** (for 3 and 4 year olds) and provide for voluntary access for all families who need or want this service for their children.
- **Invest in improving the quality** of early childhood education and care and measure the results.

Final sections provide Detroit perspectives on the topic, some fiscal recommendations, a glossary of terms related to early childhood education and care, and useful sources of additional information on the issues presented in this report.
High-quality early childhood services make a sound economic investment with returns ranging from $2.36 to $17 for every $1 invested. However, there remain many barriers which restrict access and availability to services despite growing awareness about the importance of brain development during the first few years of life and of the benefits for all children, families and society. For example, families may not be eligible for a variety of reasons: where they live, how much they earn, whether or not children have disabilities, or how old children are. Families may not be able to afford the quality or type of services they prefer. The quality of care offered by different types of providers varies greatly and aspects of the workforce, such as pay and conditions, training and qualifications, often affect the cost-effectiveness of systems of care and education and child outcomes.

Parents use these services for different purposes which often overlap: to enhance their children’s development and school readiness; and to enable parents to work. The beliefs and needs of young families about the use of child care and education programs also differ. Some parents need to work to balance their household budgets or due to welfare requirements; others stay at home with children and use services only when children reach certain ages.

A young couple with two preschoolers, ages 1 and 4 years old, both work but struggle to meet child care costs. The parents chose to send their children to a high quality center to ensure safety and optimum development. It is located close to their home and is used by many of mom’s colleagues. Although the family income of $60–70,000 per year qualifies them as “middle income,” the cost of child care—$29 per day for the older child and $35 per day for the younger is more than their mortgage payment. Mom says, “The monthly cost for child care is so outrageous, it has kept us from having more children.” The parents fear that the rates will yet be raised within the next few weeks.

All of these factors and others play into decisions about the use of programs, highlighting the need for access to a diverse range of high quality services and supports. Unless families are low-income or ‘at risk’, parents in the USA carry responsibility for financing most of the early childhood education and care costs themselves.

This Brief will look in more detail at investment in early childhood education and care as an economic development strategy in Michigan and the returns that might be anticipated. In the first chapter, Early Childhood Education and Care in Michigan, the scale of the economic expenditure and range of services in this state are outlined alongside recent developments and some of the challenges facing policy-makers.

In Chapter 2, Dr. Larry Schweinhart (High/Scope Educational Research Foundation) describes some key findings from an internationally renowned study, with long-term follow-up of children who were in a high-quality early education program, the High/Scope Perry Preschool Program, in Ypsilanti, Michigan during the 1960s. Over the next 40 years, the investment brought very large public and personal returns through savings arising from crime reduction, lower welfare and education costs, and increased earnings and increased taxes paid by participants in the program.

This chapter is followed by Building and Financing Early Care and Education Systems in the States by Anne Mitchell, (Early Childhood Policy Research & Alliance for Early Childhood Finance). While focusing on states she recently examined (Illinois, North Carolina and Rhode Island), she looks at what other states are doing to build systems of early childhood education and care, identifies factors critical to the success of systems development, and examines some policy ideas for Michigan.

Final sections provide Detroit perspectives on the topic, some fiscal recommendations, a glossary of terms related to early childhood education and care and additional useful sources of information on the issues presented in this report. References and sources of information used in the preparation of each chapter are included at the end of the Brief.
Early Childhood Education and Child Care in Michigan

Betty Tableman, Rosalind Kirk & Esther Onaga

The Population of Young Children Age 0–5

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

Early Childhood Education and Care

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

- It is estimated that parents spend $2.1 billion annually on child care in Michigan. It is a necessity for many, but also a major household expense for young families.
- The State of Michigan spends around $560 million for early childhood education and care.
- The State spent around $85 million in state funds on the Michigan School Readiness Program (MSRP) for low-income 4-year-olds in 2002–03.
- Michigan spent $475 million in state and federal funds on subsidies for childcare in 2003. The subsidy is available for parents with incomes up to 152% of the federal poverty level, if they are in training, completing high school, working, or obtaining medical treatment.
- $248 million in funding (80 percent federal funds and 20 percent local and state match) was spent on Head Start and Early Head Start (including Migrant and Tribal programs) in 2004.

Characteristics

Early childhood education and child care services in Michigan, like elsewhere in the USA, form a fragmented array of services that serve a variety of purposes. Various types of services are subject to different levels of quality standards. Funding streams can be diverse and are subject to various federal and state rules and requirements.
### Availability of Early Childhood Care and Education (See Table 1)

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

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

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

### Quality

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

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

### Issues

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

- There are a limited number of out-of-home slots in regulated settings and wide variability in sites that meet parental preferences for type of care, income eligibility, suitability of hours, location and/or quality.
- The quality of services is highly variable and only a minority of sites operate under specified quality standards.
- Licensing requirements are lower in respect to some requirements enforced by other states. For example, Michigan is the ONLY state with no pre-service or annual training requirements for center caregivers.
- The staff of licensing consultants is stretched with a high number of facilities per consultant. Michigan’s ratio is 1:307—the 4th worst in the country.
Current state subsidy payment levels have regressed and will not support access to quality care.

The operational hours of many early childhood programs do not always match the needs of families. For example, neither Head Start nor MSRP provide full day care so that children of working parents must move from one setting to another to obtain full day care.

Preschool children with disabilities who are entitled to preschool services in the ‘least restrictive environment’ are often denied their right to this. The shortage of early childhood care and education for all children further reduces inclusive opportunities for children with disabilities. Opportunities to learn and play alongside typically developing children are very limited despite Head Start requirements to provided 10% of their slots to children with disabilities. Special education and general early childhood education and care funding streams make inclusion challenging.

There is insufficient knowledge about the training needs and qualifications of the existing childcare workforce, especially relative providers and daycare aides.

Current Developments

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

Steps to Improve Quality

Revised child care center and family/group home licensing requirements would implement strategies to improve quality. They will specify educational requirements for director and staff, require annual staff training, and improve child-staff ratios. Child care centers are concerned about the cost implications of these changes. A recent rule change has required 30 minutes of reading daily.

A voluntary quality rating system is being developed. The ratings would give parents a way of assessing the quality of child care providers, provide an impetus for improvement and form the basis for potentially linking state child care subsidy payments to provider ratings. This was part of a grant funded by the Joyce Foundation, approved and filtered through the Children’s Action Network and Children’s Cabinet.

The Project Great Start Professional Development Initiative is designed to improve the knowledge and skills of early childhood providers working in a licensed child care center, group home or registered family home. It will offer high-quality training for early childhood providers at a participating community college, (Lansing Community College, Grand Rapids Community College, Mott Community College and Schoolcraft Community College) helping providers develop a career pathway that leads to a Child Development Associate (CDA) credential or Associate degree, with the potential to progress to a four-year institution that offers a Bachelor degree in early childhood education. Over a two-year period, more than 800 child care providers are expected to receive training through the Initiative. The Initiative will support research on how professional development and teacher practice impact child outcomes related to school readiness.
Financial assistance is available, either through T.E.A.C.H. scholarships, college scholarships or an incentive option. T.E.A.C.H. is responsible for recruitment in this project, determining eligibility and getting people signed up for the appropriate financial support.

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

**Steps to Promote Awareness and Increase Resources**

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

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

- ECIC (Early Childhood Investment Corporation) will consolidate and support early childhood systems building and quality initiatives, promote public awareness and leverage public and private resources, and align goals and outcomes of early childhood programming across state departments.

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

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

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\(^1\) See [www.greatstartforkids.org](http://www.greatstartforkids.org).
Table 1. Types of Early Childhood Education and Care Facilities in Michigan

<table>
<thead>
<tr>
<th>Type</th>
<th>Sites and Number of Children</th>
<th>Eligibility</th>
<th>Full or half day</th>
<th>Funding</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Head Start (HS)</strong></td>
<td>24 programs, serving 2,018 children including 3 Tribal EHS programs (226 children) and excluding Migrant programs which combine HS and EHS</td>
<td>Low income: 90% poverty level plus 10% above poverty level allowed. Prenatal – 3 years. 10% disabled</td>
<td>Half day</td>
<td>Federal competitive grants and local match</td>
<td>$20.9 million annually</td>
</tr>
<tr>
<td><strong>Early Head Start (EHS)</strong></td>
<td></td>
<td>Low income: 90% poverty level plus 10% above poverty level allowed.</td>
<td>Half day</td>
<td>Federal competitive grants and local match</td>
<td>$26.7 million annually</td>
</tr>
<tr>
<td><strong>Michigan School Readiness Program (MSRP)</strong></td>
<td></td>
<td>Low income: 90% poverty level plus 10% above poverty level allowed.</td>
<td>Half day</td>
<td>Federal competitive grants and local match</td>
<td>$84.9 million</td>
</tr>
</tbody>
</table>

MHSA, e-mail, 6/15/05

* Migrant programs do not breakdown totals for HS and EHS
* Includes figures for Migrant HS and EHS combined
* MHSA, e-mail, 6/15/05
* There are other home visiting programs in Michigan that are not discussed in this Brief.
* Excludes figures for Migrant EHS
* As of 2002-2003, Michigan Department of Education
Table 1. CONT’D Types of Early Childhood Education and Care Facilities in Michigan

<table>
<thead>
<tr>
<th>Type</th>
<th>Sites and Number of Children</th>
<th>Eligibility</th>
<th>Full or half day</th>
<th>Funding</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensed child care centers(^i)</td>
<td>4,578 centers with a capacity of 243,014</td>
<td>All ages, but depends on individual center</td>
<td>Full day, but depends on individual center</td>
<td>Parent fees</td>
<td>Average annual fees for fulltime care for an infant: $7,922</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Eligible parents may obtain child care subsidy from state</td>
<td>Average annual fees for fulltime care for a 4 year old: $6,206.</td>
</tr>
<tr>
<td>Licensed group care homes(^ii)</td>
<td>3,697 homes with a capacity of 44,143 children</td>
<td>All ages, Maximum of 12 children not related to child care provider</td>
<td>Varies</td>
<td>Parent fees</td>
<td>Eligible parents may obtain child care subsidy from state</td>
</tr>
<tr>
<td>Registered family day care homes(^iii)</td>
<td>10,163 homes with a capacity of 60,338 children</td>
<td>All ages, Maximum of 6 children not related to child care provider</td>
<td>Varies</td>
<td>Parent fees</td>
<td>Eligible parents may obtain child care subsidy from state</td>
</tr>
</tbody>
</table>

\(^i\) 4C Profile of Michigan 2005
\(^ii\) As of December 2004, Michigan Department of Human Services
\(^iii\) As of December 2004, Michigan Department of Human Services

Table 1 Summary—Total number of Michigan children by setting

<table>
<thead>
<tr>
<th>Setting</th>
<th>Children/Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head Start</td>
<td>34,903</td>
</tr>
<tr>
<td>MSRP</td>
<td>25,712</td>
</tr>
<tr>
<td>Centers</td>
<td>243,014</td>
</tr>
<tr>
<td>Group homes</td>
<td>44,143</td>
</tr>
<tr>
<td>Family homes</td>
<td>60,338</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>408,110</strong></td>
</tr>
</tbody>
</table>

\(^*\) Early Head Start is not included because the number of slots that are home based is not known.
Early Childhood Education: A Sound Investment for Michigan

Larry Schweinhart, Ph.D., High/Scope Educational Research Foundation

Participating in a high-quality early childhood program at ages 3 and 4 years not only benefits children and families during this early childhood period, but also pays off for the individual and society over time. The 40-year follow up of the African-American low-income children who participated in the Perry Preschool during the 1960s indicates a $17 to $1 payoff in reduced educational costs, higher earnings, and reduced crime. The impact of high-quality early childhood programs is corroborated in other studies.

This report summarizes the major findings from the High/Scope Perry Preschool Study, identifies the components of high-quality early childhood programs that result in the identified outcomes and cost savings, and summarizes other evidence on the impact and returns from other high-quality early childhood programs.

The High/Scope Perry Preschool Study

The High/Scope Perry Preschool Study was designed to address questions about whether a high-quality preschool program would help children’s development. From 1962 to 1965, 123 young African-American children living in poverty and at risk of school failure were randomly assigned (around half to attend the High/Scope Perry Preschool while the rest did not attend this program). The two groups were almost exactly alike in background characteristics, except that one group got the preschool program and the other did not. The program employed four certified teachers to provide daily class and weekly home visits for 20-25 children. They provided a program of participatory education, in which children could plan, do, and review their own activities.

A rigorous research design that involved random assignment and long term follow-up of the impact of quality early childhood education plus the consistency of the good outcomes over time, along with wide dissemination, have combined to make this an internationally influential study, providing powerful evidence for the importance of investing in quality early childhood programs.

The 40 year follow up of the African-American low income children who participated in the Perry Preschool during the 1960s indicates a $17 to $1 payoff in reduced educational costs, higher earnings, and reduced crime.

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1. Family poverty was defined as parents having little schooling (9th grade average) and low occupational status (unemployed or unskilled jobs), along with high household density (1.4 persons per room).
High/Scope Perry Preschool Study Major Findings

- Increased school readiness. Without the preschool program, 1 out of 3 children was ready for school at age 5, but with the program 2 out of 3 were ready.

- Increased school commitment. By age 14, the program group was more committed to school.

- Increased school achievement. Half of the program group attained a basic level of school achievement at age 14, as compared to only 15 percent of the no-program group.

- Increased high school graduation. More of the program group graduated from high school.

- Improved literacy. The High/Scope Perry Preschool study found that the program significantly improved children’s literacy from after the first few months in the program to the age of 19.

- Increased earnings. At age 40, three-fifths of the program group earned $20,000 or more annually, half again as many as the no-program group. The program group had a higher employment rate than the no-program group. At both age 27 and age 40, the program group’s employment rate was 23 percent higher than the no-program group’s. At both 27 and 40, the program group’s earnings were higher than the no-program group’s earnings—20 percent higher at age 27, and 36 percent higher at 40. The same pattern appeared for monthly earnings. The absolute consistency of findings for employment, monthly earnings and annual earnings, at ages 27 and 40, is strong evidence that the preschool program had lifetime effects on employment and earnings.

The absolute consistency of findings for employment, monthly earnings and annual earnings, at ages 27 and 40, is strong evidence that the preschool program had lifetime effects on employment and earnings.
Reduced involvement in crime. Only two-thirds as many of the program group were arrested 5 or more times. The evidence indicates that the preschool program reduced various types of crime—violent, drug, and property. The 31 percent reduction in violent crime was due mainly to reductions in assault, battery (historically, assault has been the threat of violence and battery has been actual violence or beating), and disorderly conduct. The 59 percent reduction in drug crime was due mainly to reduction in selling seriously dangerous drugs. The 38 percent reduction in property crime was due mainly to reductions in larceny.

Reduced drug crime. 60 percent fewer program than no-program males reported prescription drug abuse and 32 percent fewer program than no-program males reported using marijuana.

Less time off work for health problems. 22 percent fewer program than no-program group members lost a week or more of work for health problems.

Fatherhood. Almost two-thirds of the program males as compared to only about one-third of the no-program males were involved in raising their own children. This finding was discovered by cross-tabulating males who had a biological child with males who said they had a major role in raising a child.
Gender Differences

The evidence indicates that the preschool program had strong lasting effects on both males and females, but that these effects were different for males and females.

• The strongest program effect on females was high school graduation: 88 percent of the program females, but only 48 percent of the no-program females graduated from high school—only about half as many. There was virtually no difference between the high school graduation rates of program and no-program males, 61 percent versus 66 percent.

• The strongest program effect on males was on arrests by age 40: 45 percent of program males as compared to 69 percent of no-program males were arrested 5 or more times by age 40, only two-thirds as many. Both the percentages and the difference between them were much smaller for females, 24 percent versus 34 percent.

These findings and others related to crime indicated that the program helped men become more responsible for their own actions.

Economic Returns

The best estimate\(^2\) is that for each dollar invested, the program returned $12.90 to the public and $4.10 to participants, for a total return of $17.07. The public gained by savings in welfare, special education and in higher taxes paid on greater earnings, and both criminal justice system and victim costs of crime. Participants gained from increased earnings.

II. In 2000 constant dollars using a 3% annual discount rate, which is similar to an interest rate over and above inflation.
Large Return on Investment
(Per participant in 2000 constant dollars discounted 3% annually)

![Chart showing costs and benefits with total return of $259,999; $17.07 per dollar invested: $12.90 to the public, $4.17 to participants.]

Other Studies of Economic Returns on Early Childhood Programs

Other early childhood cost-benefit studies that have also found long-term effects and economic return on investment include the North Carolina Abecedarian high-quality child care study conducted by Craig Ramey and Frances Campbell; the Chicago Child-Parent Centers study conducted by Arthur Reynolds; and the Elmira, New York, nurse home visiting program study conducted by David Olds.

Policy Implications: Quality Counts

Outcomes reflected the high quality of the High/Scope Perry Preschool. Six quality ingredients made the difference:

- **Children’s participation in their own learning.** The teachers’ role was to help children participate in their own education by having them plan, do, and review their own activities.
- **Adequate staff:child ratios.** High/Scope Perry Preschool Program employed one teacher to every eight children.
- **Parent-teacher partnership.** Teachers visited with families frequently to discuss their children’s development.
- **Teacher qualifications.** Every preschool classroom was led by a teacher with a bachelor’s degree and teacher certification.
- **In-service training, support and supervision.** All teachers, whatever their educational background, received adequate training, supervision and assessment to support a participatory educational approach.\[I\]
- **Length of time in program.** Most of the children in this program attended for two school years.

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III. The participatory educational approach is supported by systematic observation of programs and children, such as the High/Scope Child Observation Record and Early Literacy Skills Assessment.
Participatory Education

Other studies have also shown the value of the High/Scope participatory education. These include the following:

1. **The Head Start Family and Child Experiences Survey** (FACES), examines a nationally representative sample of Head Start children and families. It found that:
   - Head Start children improve by half a point in their **letter and word recognition skills** during Head Start, but that children in High/Scope Head Start classes improve by more than 1½ points.
   - Head Start children improve their rated **cooperation skills** by 2 points during Head Start, while children in High/Scope Head Start classes improve by 2.3 points; and
   - Head Start children exhibit **less hyperactivity** over their Head Start year, dropping from 3.0 to 2.1, while High/Scope Head Start children begin the year at a much lower rate of 1.4 and drop even lower to 1.2.

2. **Training for Quality Study.** This study looked at the effects of High/Scope training-of-trainers programs in a design involving 203 trainers, 244 classrooms, and 200 children. It found:
   - **Better quality learning environments.** Classrooms with High/Scope-trained teachers have better learning environments, daily routines, adult-child interaction, and overall implementation.
   - **Better child outcomes.** Children in these classrooms have better initiative, social relations, creative representation, music and movement skills, and overall development.

3. **The IEA Preprimary Project.** This is a multi-national study, across 15 countries, of preprimary care and education. Information was collected on over 5,000 children in 1,800 settings. Four preschool characteristics were found to predict children’s later ability at age 7, regardless of country.
   - Having **free-choice, participatory learning activities** in preschool settings predict children’s later language performance. It appears that children’s opportunities to have conversations are more important to language growth than anything else, even pre-academic instruction.
   - Having **fewer whole-group activities** in preschool settings predicts children’s later intellectual performance; whole-group activities seem to stifle children’s intellectual growth.
   - The **amount and variety of materials**, commercial or non-commercial, predicts children’s later language performance.
   - **Teachers’ years of education** predicts children’s later language performance.

4. **The High/Scope Preschool Curriculum Study.** This study examined the long-term effects of three models of preschool education: High/Scope, in which both teachers and children took an active role; traditional nursery school, in which teachers responded to children’s interests; and direct instruction, in which teachers provided children with information. While all three groups became more ready for school intellectually, by age 23 the High/Scope and nursery school groups surpassed the direct instruction group socially in a variety of ways.
   - During their years in school, almost none of either the High/Scope or nursery school groups required treatment for
Advantages of Participatory Education

<table>
<thead>
<tr>
<th></th>
<th>High/Scope Group</th>
<th>Nursery School Group</th>
<th>Direct Instruction Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotionally Disturbed</td>
<td>6%</td>
<td>6%</td>
<td>47%</td>
</tr>
<tr>
<td>Blames Other People</td>
<td></td>
<td></td>
<td>36%</td>
</tr>
<tr>
<td>Suspended From Work</td>
<td>0%</td>
<td>7%</td>
<td>27%</td>
</tr>
<tr>
<td>Volunteer Work</td>
<td></td>
<td></td>
<td>11%</td>
</tr>
<tr>
<td>Arrested for Felony</td>
<td>10%</td>
<td>17%</td>
<td>39%</td>
</tr>
</tbody>
</table>

emotional disturbance while almost half of the direct instruction preschool group required such treatment.

- None of the High/Scope group and almost none of the nursery school group were suspended from work as young adults, as compared to over one-fourth of the direct instruction group.

- Only 10 percent of the High/Scope group and 17 percent of the nursery school group were ever arrested for a felony, as compared to 39 percent of the direct instruction group.

- Almost half of the High/Scope and nursery school groups engaged in volunteer work as young adults, as compared to only a few of the direct instruction group.

A Sound Investment for Michigan

Savings in crime costs alone arising from the High/Scope Perry Preschool Program were over 11 times the cost of the program, but even with the crime savings, the program paid for itself. Some would say at $8,500 a year per child, the program is too expensive. The public cost of every poor child who does not receive this program is almost $200,000. We keep choosing to spend $200,000 on big problems that we could prevent by spending $15,000 and could significantly reduce the cost of government.

For more information or to contact the speaker, http://www.highscope.org/
Why invest in early childhood education and care?

Numerous studies show the benefits of investment in quality child care and education. High quality preschool has been linked with long-term benefits in education and employment for participants and reduction in costs to government.

The greatest benefits, and therefore the greatest return on investment, occur for low income children, who are at greatest risk of educational failure. However, many children from middle or higher income families also need early childhood education to be fully ready for school.

Communities have experienced impressive short-term benefits from investing in early childhood education and care:

- New York State estimates savings to public education at 40-60 percent of the cost of the investment in universal prekindergarten because of fewer students being retained or needing special education services.
- Studies of the economic impact of the child care industry demonstrate that the industry is a substantial employer and generates significant revenue in the local economy with ripple effects larger than those of most other industries.
- High quality early childhood education and care creates jobs, indirectly supports the work of parents by providing a safe and stimulating environment for their young children, and attracts businesses to communities.

Economists have determined that the return on investment in early childhood education is better than that for other economic development strategies, such as public subsidies to sports venues or industrial parks.

How is early childhood care and education funded?

In the USA, most of the cost of child care is borne by families themselves:

- Total investment in child care is estimated at $75-80 billion—40 percent is public money, 1-2 percent from the private sector, 60 percent is from parents and families.
Families pay out 1½ to 2 times more for center-based child care than for education at a public college, because less of the cost is subsidized.

Most other industrialized countries support early childhood education and care through subsidies up to 80–90 percent of costs. Families pay little or nothing—much like our approach to K-12 public education.

What are states doing to build systems of early childhood education and care?

A number of states, including Michigan, are developing early childhood education and care systems. We will briefly describe and compare three states—Illinois, North Carolina, and Rhode Island—to show the variety of ways that systems can evolve and to identify critical components of success. States experiencing success have tended to focus on infrastructure (system and workforce development) as well as support for child care/early education services.

Infrastructure investment is critical because:

- Infrastructure investments are relatively modest compared to the cost of direct services.

- Without adequate infrastructure, services will not be as effective or sustainable.

However, no one model is necessary for success, and change efforts can go forward in difficult as well as favorable times.

How have Illinois, North Carolina, and Rhode Island Approached ECE System Development?

These three states vary in their size, demographics, economic status, and local politics. Illinois is the 5th most populous state, while Rhode Island ranks 43rd in population. Table 1 compares these states on several characteristics. These states vary in size, poverty and income levels and in their per capita expenditures for early childhood services. Rhode Island spends the most per capita on children under 5 years, an amount that is almost twice what North Carolina spends.

Given their diversity, it is not surprising that each has taken a different approach to services and system development.

<table>
<thead>
<tr>
<th>Table 1: Comparison of Three States on Selected Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Illinois</strong></td>
</tr>
<tr>
<td>Total Population*</td>
</tr>
<tr>
<td>Children under 5 as percent of population*</td>
</tr>
<tr>
<td>Poverty rate for children under 5</td>
</tr>
<tr>
<td>Estimated median income (family of 4)+</td>
</tr>
<tr>
<td>Percent of children under 6 with working parents FY 1999*</td>
</tr>
<tr>
<td>Investment per capita children under 5</td>
</tr>
</tbody>
</table>

*Census 2000; +US Department of Health & Human Services

Economists have determined that the return on investment in early childhood education is better than that for other economic development strategies, such as public subsidies to sports venues or industrial parks.

Most other industrialized countries support early childhood education and care through subsidies up to 80 – 90 percent of costs.

Without adequate infrastructure, services will not be as effective or sustainable.
Table 2: Comparison of Early Childhood Education and Care Systems in Three States

<table>
<thead>
<tr>
<th>Services (Dollar amounts are state revenue invested)</th>
<th>Illinois</th>
<th>North Carolina</th>
<th>Rhode Island</th>
</tr>
</thead>
</table>
| Early Childhood Block Grants                         | • Pre-K for “at risk” children  
• Prevention services for infants and toddlers  
• Parenting for those with children under 5 years | Smart Start – public private partnerships; grants for locally designed programs for children under 5 years  
More at Four – Pre-K for children at risk of school failure | Starting Right – Funds to  
• Expand the federal Head Start program  
• Provide early education in the public schools |

<table>
<thead>
<tr>
<th>System Development</th>
<th>Illinois</th>
<th>North Carolina</th>
<th>Rhode Island</th>
</tr>
</thead>
</table>
| Early Learning Council that plans for comprehensive early learning system | North Carolina Partnership for Children that works with local partnerships to design individual initiatives in early education, health and family support to ensure children's school readiness | Starting Right – umbrella for early childhood services  
• Promotes quality child care  
• Extends childcare services to teens  
• Provides funding for services |

<table>
<thead>
<tr>
<th>Professional Development</th>
<th>Illinois</th>
<th>North Carolina</th>
<th>Rhode Island</th>
</tr>
</thead>
</table>
| Investments in:          | T.E.A.C.H. scholarships  
Great START – salary bonus program | T.E.A.C.H. scholarships  
Professional development institute  
WAGE$ salary bonus program | Guarantees access to health care coverage for child care staff |

<table>
<thead>
<tr>
<th>Policy</th>
<th>Illinois</th>
<th>North Carolina</th>
<th>Rhode Island</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Universal Eligibility” for subsidized care regardless of welfare status*</td>
<td>Rated licensing system with Tiered reimbursement</td>
<td>Entitlement to child care assistance for all low-income working families</td>
<td></td>
</tr>
</tbody>
</table>

*Universal eligibility does not mean all families are eligible for subsidies; all families under a certain income level are eligible as long as they meet the work/training criteria, regardless of circumstances such as welfare status.

Despite differing approaches each state has focused some of their efforts in each of these areas because developing the policy and infrastructure to support services over time is crucial to sustainability of efforts.

- Illinois was one of the first states to establish “universal eligibility” for subsidized child care. In 1997 the state created a single child care subsidy program open to all working families with incomes up to 50% of the state median income, with no waiting lists.

- North Carolina’s highly creative “Smart Start” initiative is a public/private partnership. It provides assistance and funding to local partnerships which design and implement programs to meet the needs of their families. North Carolina has also developed a rated licensing system linked with tiered reimbursement.

- Rhode Island is the only state with an entitlement to child care assistance. The state appropriates money annually to meet anticipated needs for low income families, much as it does for Medicaid or cash assistance. They have also taken the unusual approach of funding networks of child care providers to offer comprehensive services similar to those of Head Start.

For the story of their efforts over time, consult the full report available on the Web at: http://www.earlychildhoodfinance.org/Publications/SuccessStoriesPDFDraft2.pdf.
What factors are critical to the success of systems development?

The experiences of these three states point to common ingredients of successful reform:

- **Strong individual champions of reform.** Leadership from the governor, state legislators, or managers in state agencies that provides a clear vision of how conditions could improve.

- **We’re all on the same team.** The willingness of people inside and outside of government—bureaucrats, political leaders and advocates—to work together.

- **Continuity of leadership.** System development occurs over time and needs leaders who keep the focus on moving the agenda along.

- **Philanthropic investments.** Philanthropic organizations that make well-conceived investments in policy and advocacy can facilitate change.

- **Policy windows.** Periods of major policy change, such as welfare or education reform, can provide the opportunity for early childhood initiatives.

How Does Michigan Compare with these States?

Michigan is the 8th largest state with a median family income (family of 4) of $68,740. Michigan is similar to Illinois and North Carolina in population size, but more like Illinois and Rhode Island in median family income. Michigan already has a pre-K program for at-risk children (Michigan School Readiness Program). In 2000 the legislature initiated a program for universal parent education services for families of children from birth to 5 years old. The All Students Achieve Program—Parent Involvement in Education (ASAP-PIE) was designed to promote school readiness and reduce the need for future special education services. However, the program was terminated as a result of the economic recession.

What Can Michigan Do Now to Promote Early Childhood Education and Care?

**Policy Ideas for Michigan**

- **Develop a range of options for early education and care.** Research tells us that rapid brain development occurs from birth, and the early years are a “prime time” for learning. Providing a range of options including parenting support groups, child care and early education programs for children from birth to five years and their parents allows families to choose programs to best prepare their children for school.

- **Move Pre-K education toward universal access for all families who want it.** Although low-income children are most at risk of not being prepared for school, many children from middle or higher income families also need additional preparation to be ready for school. With many single parent families and families with two working parents, children from all socio-economic levels can benefit from high quality preschool education.

- **Invest in improving the quality of child care and measure the results.** Studies are clear that high quality is a major factor in effective early childhood programs. The extra investments in quality will pay off in better outcomes. Quality Rating Systems are a powerful policy tool; they give policymakers a framework for accountability, help parents make more informed choices, and provide benchmarks of progress for the early care and education industry.

For more information or to contact the speaker: awmitchell@aol.com

**Policy Ideas for Michigan:**

- Develop a range of options for early education and care
- Move Pre-K education toward universal access for all families who want it
- Invest in improving the quality of child care and measure the results
Re-framing Early Childhood Education and Care: Strategies for Economic Development in Southeastern Michigan

Kristine Miranne, Ph.D., Skillman Center for Children, Wayne State University

“We aren’t doing the job if a child leaves a child care center and enters school not ready to learn.” Carole Quarterman, Detroit 4 C’s

The April 2005 Family Impact Seminar addressed the issue of early childhood education as a sound economic investment strategy for Michigan. In conjunction with the seminar presented in Lansing, a forum was convened in Detroit to focus on the strengths and barriers faced by parents living in this large urban metropolitan area. Larry Schweinhart of the High/Scope Educational Research Foundation presented his findings from the forty-year study of children who attended the Perry Preschool. Three local experts were assembled to speak to an audience of local government representatives, social service providers and educators. The panel included Carole Quarterman, Director of Wayne County/Detroit Child Care Coordinating Council (4 C’s); Jan Windemuth, Adjunct Faculty, College of Education, Wayne State University and Michele Thomas, Director of Bright Horizons Family Solutions (Henry Ford Kids Child Care Center).

Introduction

Today, women of all incomes with children of all ages are working outside the home. As a result, they have placed their children in the care of others. The conflict is readily apparent – how will women be able to focus on providing an income for their family through work while still providing the nurturing environment necessary for their children to grow into successful adults? These concerns are paramount for single mothers who are more likely to have fewer resources available for their families, including money to pay for high-quality, high-cost child care. Women transitioning from welfare to work are particularly vulnerable because their incomes tend to be low, they work shift work or multiple jobs that require child care beyond the normal workday, and many lack access to transportation.

Research shows that investment in child care and early childhood development programs also benefit taxpayers in the long term through reduced need for welfare assistance, increased income from tax revenue, less burden on the criminal justice system and fewer children needing remedial education services. In addition, the child care industry generates a significant number of dollars, helps create and support jobs, is vital to supporting parental employment, and helps support families transitioning from welfare to employment.

Panel Discussion

The presenters were given three questions prior to the event and asked to prepare remarks in response. What follows are those questions and the presenters’ input. The intent was to gain a better understanding of the structural problems underlying child care as well as discuss viable policy options.
Question 1: Labor costs constitute a large percentage of expenses for a child care agency. To reduce costs, these businesses pay low wages, resulting in a lower skilled workforce and high staff turnover. At the same time, many parents find child care costing as much as 50 percent or more of their earnings. What solution(s) would you propose?

- **Government has a role to play in financing child care.** This goes beyond providing subsidized child care slots and should include baseline and consistent funding for service providers.

- **More research needs to be conducted about child care subsidy programs** to gain a better understanding of the role these play in how parents access child care.

- **Child care workers need to be better trained and certified.** Training does not have to be at the college level but more at the vocational technology level. Professional development and recognition of their expertise may attract more individuals to enter this field and to see it as a profession. The issue is not the cost of labor, but the qualifications of staff.

- **It is important to focus on the quality of services provided and to compensate accordingly.** We need to recognize that labor costs are going to continue to constitute a large portion of child care costs (estimated currently at 80 percent).

Questions 2: What do you think should be the components of a “healthy infrastructure for child care”?

- **A national set of criteria and standards for child care and early childhood development** that everyone supports and “buys” into.

- **A system of child care and development for birth to 5 years, not just to 3 years.**

- **Accurate information for parents about the child care market** to help them better choose a child care arrangement. Parents often select what they think is quality care only to discover later that it is not.

- **A cohesive system including all of the various components of care once policy makers understand how parents choose care (and the constraints they face beyond cost).** Currently there is too much fragmentation in the child care market as evidenced by the various types of formal and informal care and varying requirements for children of different ages.

- **More information about how parents make decisions about where to place their children.** We have little understanding of their preferences for child care—we know parents want high quality care for their children, but the care they currently use may not be what they want.

- **The “professionalism” of child care providers must be enhanced through trainings and credentialing.** Workforce development might include support such as scholarships to child care workers who want to enroll in child development classes.
Question 3: We’ve been talking about child care within an economic framework. What should be the message for the people at the state level who have the power to act for change?

- **Assure access to quality child care for all families.** Child care should be a program that is accessible to all families, not one that targets low-income families through child care subsidies while ignoring the fundamental issues all parents face regarding accessing quality child care.

- **Assist families who cannot afford the full burden of quality child care.** If we agree that ALL children are entitled to early childhood development services, then government must be prepared to partner with families who cannot bear the full burden of increasing the quality of child care.

- **Promote economic development efforts by providing a child care tax credit for employers who subsidize or offer child care on site.** Consider a low-interest revolving loan fund for child care facilities.

- **Understand that benefits accrue over the long term.** Recognize that child care has immediate returns in enabling parents to work but that the greatest payoff from high quality early childhood education and care comes in the long run. (See comments by Schweinhart and Mitchell found in this report.)

- **Market “brain development” as “economic development.”** We need to move away from the concept that child care only falls under social work and human services.

- **Recognize that although the child care issue can be framed from an economic development standpoint, there are other systems’ issues that impact child development (e.g., poverty including low wages for parents, poor housing, and access to health care).**

### Quality child care and early childhood education is critical to family well-being, especially in an urban area where many at-risk families reside.

Policies directed to child care issues must assist parents meeting their familial responsibilities. In this way, parents become empowered and learn strategies to become better parents.

Policy makers must recognize and support family diversity.

### Summary

The panel emphasized that quality child care and early childhood education is critical to family well-being, especially in an urban area where many at-risk families reside. Policies directed to child care issues must provide support to assist parents meeting their familial responsibilities. In this way, parents become empowered and learn strategies to become better parents.

Policy makers must recognize and support family diversity. In doing, so, all families will be supported, not only those considered vulnerable. In fact, a cohesive and well-supported system of child care and early childhood services would greatly support families’ economic support and caregiving.
The Family Impact Seminar did not include any discussion of alternative ways of financing the recommendations for improvements in, and expansion of, high quality early childhood care and education. Nonetheless, given Michigan’s fiscal constraints, it would be unhelpful to make recommendations for additional spending without identifying some alternative ways of obtaining needed resources.

The following list suggests alternatives that merit exploration.

1. **Fully utilize the federally funded Child Care and Development grant.** These funds are available for improving the quality of child care and for underwriting child care subsidies to Temporary Assistance for Needy Families (TANF) and low income working families. Michigan in past years has allowed portions of these funds to lapse.

2. **Consider whether schools should receive a half day school allowance for half day kindergarten** (rather than the current situation in which they receive a full day allowance for each child in kindergarten).

3. **Review the current pattern of full day school aid allowances for developmental kindergarten** which essentially provides a fourteenth year of funding (since children then go through a year of regular kindergarten). There is no evidence from research that children held back do as well as age peers with similar entry scores who were not held back.

   Given the difference in cost ($6700 vs. $3300 for Michigan School Readiness Program) and the high payoff from high quality early childhood education and care, consider whether funds could be better used in expanding high quality early childhood education and care, underwriting only one year of kindergarten per child.

4. **Encourage financial institutions to support child care financing projects** as a required reinvestment in the community under the Community Reinvestment Act.

5. **Consider strategic investments of tax resources in early childhood infrastructure development.** Michigan’s tax burden ranks 39th in the nation and the level of taxation is currently well below the limit set by the Headlee Amendment. The Michigan League for Human Services and other organizations have made suggestions about the revenue sources, including tax expenditures that could be available to underwrite current and needed state services.

6. **Use transportation dollars and housing dollars to fund child care sites** (as in California and Florida).
Useful Links and Resources

Bethany Anne Zimmerman

State Investments in Early Care and Education

Leadership Matters: Governors’ Pre-K Proposals Fiscal Year 2006*

A report released by PreK Now (a project of the Pew Charitable Trusts to advance high-quality universal Pre-K for all children) in April 2005 that evaluates the governors of the 50 states and the mayor of the District of Columbia in terms of their support for Pre-K.


Building the Foundation for Bright Futures*

This final report from the National Governors Association’s Task Force on School Readiness was released in early 2005. It presents recommendations and policy options that governors can use to promote ready states, ready schools, ready communities, ready families, and ready children. Many of the recommendations are appropriate for states with limited fiscal resources.

Access the report at: http://www.nga.org/cda/files/0501TaskForceReadiness.pdf.

School Readiness in Child Care Settings: A Developmental Assessment of Children in 22 Accredited Child Care Centers*

This report from the Minnesota Department of Human Services was released in February 2005. The study found that children in accredited programs had higher rates of proficiency in areas related to school readiness than children from families with comparative family backgrounds/education levels.

Access the report at: http://edocs.dhs.state.mn.us/IFserver/Legacy/DHS-4362-ENG.

Collective Management of Early Childhood Programs: Approaches That Aim to Maximize Efficiency, Help Improve Quality and Stabilize the Industry

This report catalogs collective management approaches across seventeen multi-site early care and education centers or alliances across the nation are currently using. The report profiles each organization and provides a narrative of lessons that can be learned from them. The report is by Louise Stoney is a collaborative publication of Smart Start’s National Technical Assistance Center and Cornell University Linking Economic Development and Child Care Research Project.


Costing Out Early Care and Education

Estimating the Cost of a High Quality Early Care and Education System for a State or Local Area: Simplified Approach *

This is a new tool from the Human Services Policy Center (HSPC) at the University of Washington. For more information, contact Rick Brandon at HSPC at: brandon@u.washington.edu

Cost of Child Care: Legislative Report on Cost Containment Options in the Child Care Assistance Program*

The Minnesota Department of Human Services released this report in January 2005 in response to a legislative request for recommendations on cost containment in the state’s Child Care Assistance Program. The report includes key findings related to children and families participating in the CCAP and provides cost containment recommendations.

Access the report at: http://edocs.dhs.state.mn.us/IFserver/Legacy/DHS-4350-ENG

Measuring the Regional Economic Importance of Early Care and Education: The Cornell Methodology Guide

This January 2004 report by Rosaria Ribeiro and Mildred Warner, PH.D. is a methodology guide designed to help study teams answer basic questions about how to conduct a regional economic analysis of the child care sector. It discusses the challenges of analyzing child care as an economic sector and some of the opportunities regional economic framing can bring to the child care policy debate.
Compensation Initiatives

Planning a Compensation Initiative for Hawaii’s Early Care And Education Workforce*

This report by Teresa Vast was released in February 2005. It was commissioned by The Good Beginnings Alliance of Hawaii. There is a link between high-quality early childhood programs that produce positive outcomes and well-qualified, adequately trained staff. The report includes key policy and design issues for Hawaii to consider in addressing the issue of supporting a high-quality workforce in early childhood care and education. It also provides an overview of compensation initiatives in other states.

Access this report at: http://www.goodbeginnings.org/publications.htm

Linking Economic Development and Early Care and Education

Child Care & Parent Productivity: Making the Business Case*

This report by Karen Shellenback was released in December 2004. The report presents a method for estimating the return on investment of work/life strategies for businesses, using child care as an example, by comparing the problematic cost of child care related absenteeism and employee turnover to the cost of solutions that employers can use such as on-site child care services, back-up care and financial assistance to employees.


Economic Development Strategies to Promote Quality Child Care*

This report written by Mildred Warner and others at Cornell University’s Linking Economic Development and Child Care Project, was released in 2004. Its purpose is to educate the child care community about related economic development factors and to educate those in the field of economic development about the connection between quality child care and economic development. It includes practical methods for applying this information. There are a number of useful related reports on this site.

Access this report at: http://www.earlychildhoodfinance.org/handouts/EconDevStrat_Final.pdf

Comparing Child Care Multipliers in the Regional Economy: Analysis from the 50 States*

This report by Zhilin Liu, Rosaria Ribeiro and Mildred Warner from the Cornell University Linking Economic Development and Child Care Project was released in 2004. The report looks at the economic importance of child care and provides child care multiplier results for all 50 states and the District of Columbia and compares them across the states and sectors in each state’s economy. The report is aimed at researchers and provides specific information for child care providers and economists. A summary brochure is also available.


Many Happy Returns: Three Economic Models that Make the Case for School Readiness*

This report by Charles Bruner was released in December 2004. It presents links between investments in early care and education and their return on investment (ROI). The link is based on analyses of three factors related to ROI that have economic benefits: quality programs that support child development and produce positive outcomes for children; the economic impact the early childhood industry has on society; and adult human capital development which has the potential to positively affect communities-in-need in several ways.


General

The National Child Care Information Center (NCCIC) is a national clearinghouse and technical assistance center that links parents, providers, policy-makers, researchers, and the public to early care and education information at http://www.nccic.org. The site features many topics related to childcare and education. Resources and reports are listed for each topic. The various reports cover a wide range including child development, children with disabilities, federal policy related to childhood, Head Start, legislation, funding, quality, and state initiatives.

*Sub-headings and information on reports adapted from Smart Start National Technical Assistance Center’s Alliance for Early Childhood Finance April 2005 “Recent Reports and Resources on Early Care & Education Finance.” The Alliance’s document, which provides more in-depth summaries of the reports, is available at: http://www.earlychildhoodfinance.org/RecentReports/AgendaPage.htm
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td><strong>Accredited child care center</strong></td>
<td>A center that has met the standards for quality set by the National Association for the Education of Young Children (NAEYC).</td>
</tr>
<tr>
<td><strong>Child Care and Development Fund (CCDF)</strong></td>
<td>CCDF means the child care programs conducted under the provisions of the Child Care and Development Block Grant Act of 1990, as amended. The Fund consists of discretionary funds and mandatory and matching funds. Source: K. Pioszak, DHS, personal communication, June 29, 2005</td>
</tr>
<tr>
<td><strong>Curriculum</strong></td>
<td>A written plan that includes the goals for children's development and learning, experiences to achieve those goals, staff actions and materials needed.</td>
</tr>
<tr>
<td><strong>Daycare Aides</strong></td>
<td>Persons caring for children funded by Michigan's Department of Human Services (DHS) in the children's homes must enroll with DHS as daycare aides and meet minimum requirements set forth by DHS. See: <a href="http://michigan.gov/dhs/">http://michigan.gov/dhs/</a></td>
</tr>
<tr>
<td><strong>Disability</strong></td>
<td>A child with a disability has physical, emotional, health, speech or language impairments, or specific learning disabilities and needs special education services as a result of these disabilities (as defined by IDEA). See: <a href="http://www.lrecoalition.org/06_definitions">http://www.lrecoalition.org/06_definitions</a> Acronyms/#13</td>
</tr>
<tr>
<td><strong>Early childhood</strong></td>
<td>Defined as ages 0-5 years old, as used in this brief. There are several definitions of &quot;early childhood&quot; that vary in age range.</td>
</tr>
<tr>
<td><strong>Early childhood education and care (ECEC)</strong></td>
<td>Used in this Brief and generally to mean child care and early childhood education services provided by parents, caregivers, and organized out-of-home settings. More narrowly used to refer to organized out of home settings. Used in Michigan to encompass all service components for infants, toddlers, and young children up to kindergarten entry. See: <a href="http://www.cmif.org/Government/PublicPolicy_Issue2_Glossary.htm">http://www.cmif.org/Government/PublicPolicy_Issue2_Glossary.htm</a></td>
</tr>
<tr>
<td><strong>Early Childhood Investment Corporation (ECIC)</strong></td>
<td>A public-private partnership between the Michigan Department of Human Services and intermediate school districts initiated in 2005. Designed to support Great Start Collaboratives at the community level through small grants and technical assistance to promote quality early childhood education and care and other service components. See: <a href="http://www.greatstartforkids.org/">http://www.greatstartforkids.org/</a></td>
</tr>
<tr>
<td><strong>Early Head Start (EHS)</strong></td>
<td>Federally funded program for children birth to age three, provided through home visits, center-based programming, or a combination, in accordance with federal Performance Standards. EHS promotes healthy prenatal outcomes by providing comprehensive services to pregnant women. See: <a href="http://www.acf.hhs.gov">http://www.acf.hhs.gov</a></td>
</tr>
<tr>
<td><strong>Early Learning Project, Michigan</strong></td>
<td>Funded by a grant from the Joyce Foundation to support the development of public awareness, state policies and investments to expand access to high quality preschool programs and services, beginning with low income children and those most at risk.</td>
</tr>
<tr>
<td><strong>Economic Development Policies</strong></td>
<td>Policies used by states and communities to create sustainable, high quality jobs, by implementing strategies such as: industrial recruitment, business development, job training, and redeveloping underutilized sites. Source: <a href="http://government.cce.cornell.edu/doc/pdf/EconDevStrat.pdf">http://government.cce.cornell.edu/doc/pdf/EconDevStrat.pdf</a></td>
</tr>
<tr>
<td><strong>Enrolled Relatives</strong></td>
<td>Any non-parent relatives (including adult siblings) of DHS funded children, who care for the children in the relatives' own homes, are required to enroll with the DHS as relative care providers and must meet minimum requirements established by DHS. See: <a href="http://michigan.gov/dhs">http://michigan.gov/dhs</a></td>
</tr>
<tr>
<td><strong>Head Start (HS)</strong></td>
<td>A federally funded center-based program for income-eligible children age three to five years and their families, providing a range of early child education and care, health, nutrition, and parent involvement services to promote children's development and learning, in accordance with federal Performance Standards. Special program branches are available to provide services for migrant children and American Indian children from birth to age five years. See: <a href="http://www.acf.hhs.gov/programs/hsb/htm">http://www.acf.hhs.gov/programs/hsb/htm</a></td>
</tr>
<tr>
<td><strong>Individuals with Disabilities Education Act (IDEA)</strong></td>
<td>The federal law that governs the education of children with disabilities. See: <a href="http://www.lrecoaltion.org/06_definitionsAcronyms/#13">http://www.lrecoaltion.org/06_definitionsAcronyms/#13</a></td>
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<tr>
<td><strong>Least restrictive environment</strong></td>
<td>The Individuals with Disabilities Education Act (IDEA) specifies that children with disabilities should be educated in the ‘least restrictive’ setting appropriate to their individual needs. See: <a href="http://www.lrecoaltion.org/06_definitionsAcronyms/#13">http://www.lrecoaltion.org/06_definitionsAcronyms/#13</a></td>
</tr>
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<td><strong>Licensed facilities</strong></td>
<td>All child care centers and group child care homes (private residences in which 7 to 12 children unrelated to the provider are cared for in the provider’s home, without the parents present, for more than four weeks annually) are required to meet licensing standards established by the Michigan Department of Human Services. See: <a href="http://michigan.gov/dhs/">http://michigan.gov/dhs/</a></td>
</tr>
<tr>
<td><strong>Michigan School Readiness Program (MSRP)</strong></td>
<td>State funded, school or community agency operated, half day preschool program for 4 year olds who may be at risk of school failure. Each child must have 2 of the 25 identified risk factors; more than 50 percent of children must be low income. Programs must provide family involvement/parent education components along with preschool education. See: <a href="http://www.michigan.gov/mde/">http://www.michigan.gov/mde/</a></td>
</tr>
<tr>
<td><strong>Prekindergarten or preschool</strong></td>
<td>Early childhood education for 3, 4, and 5 year olds prior to kindergarten entry.</td>
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<tr>
<td><strong>Project Great Start</strong></td>
<td>Launched by Governor Jennifer Granholm in 2003 to promote learning beginning at birth and investment in early childhood through a system of community support and resources. See: <a href="http://www.greatstarforkids.org/">http://www.greatstarforkids.org/</a></td>
</tr>
<tr>
<td><strong>Quality (or high-quality) early childhood education and care programs</strong></td>
<td>Programs that meet accreditation and/or performance standards for the environment, programming, and staffing.</td>
</tr>
<tr>
<td><strong>Registered Facilities</strong></td>
<td>All family day care homes (0-6 children) are registered with the Michigan Department of Human Services. See: <a href="http://michigan.gov/dhs">http://michigan.gov/dhs</a></td>
</tr>
<tr>
<td><strong>Staff Turnover</strong></td>
<td>Staff in early childhood education and care programs who enter and leave the workforce of one establishment.</td>
</tr>
<tr>
<td><strong>Tax Credits</strong></td>
<td>Monetary incentives outlined in the tax code that are designed to encourage individuals or businesses to take particular actions in exchange for a reduction in taxes owed. Industrial Development Agencies typically provide the credit on an ad hoc basis to individual firms. Source: <a href="http://government.cce.cornell.edu/doc/pdf/EconDevStrat.pdf">http://government.cce.cornell.edu/doc/pdf/EconDevStrat.pdf</a></td>
</tr>
<tr>
<td><strong>Tax Incentives</strong></td>
<td>An economic development strategy designed to attract, retain, and expand businesses. Tax incentives reduce or waive taxes for businesses. They come in the form of credits, abatements/reductions, deferrals, exemptions, and refunds. Source: <a href="http://government.cce.cornell.edu/doc/pdf/EconDevStrat.pdf">http://government.cce.cornell.edu/doc/pdf/EconDevStrat.pdf</a></td>
</tr>
<tr>
<td><strong>T.E.A.C.H. Teacher Education and Compensation Helps (T.E.A.C.H) Early Childhood Program</strong></td>
<td>A project initially developed in North Carolina that gives scholarships to child care workers to complete course work in early childhood education, and thereby increase their competence and their compensation. See: <a href="http://www.childcareservices.org/teach/project.html">http://www.childcareservices.org/teach/project.html</a></td>
</tr>
<tr>
<td><strong>Tiered Quality Rating System</strong></td>
<td>A system that identifies the differences in quality between child care centers, starting with licensure as the lowest level. A rating system may be used by consumers in selecting sites or by government in payments under child care subsidies. See: <a href="http://www.nccic.org/pubs/tiered-defsystems.html">http://www.nccic.org/pubs/tiered-defsystems.html</a></td>
</tr>
</tbody>
</table>
References & Sources of Information

Introduction


Early Childhood Education and Child Care in Michigan

1. Census 2000
2. Kids Count 2003
4. MI 4C Fact sheet (2005): April 25-30 is Michigan Child Care Works! Event, April 2005
5. As of 2002-2003, Michigan Department of Education
6. MHSA, e-mail 6/15/05
7. National Child Care Information Center http://www.nccic.org/
8. Department of Human Services, e-mail 4-22-05

Early Childhood Education: A Sound Investment for Michigan

Early Childhood Education and Care: An Economic Development Strategy for Michigan


Some Fiscal Options for Michigan


Building and Financing Early Care and Education Systems in the States


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