

In Michigan, federal and state early learning opportunities serve more than **106,393 children and families,<sup>1</sup> or 16% of children ages 5 and under.<sup>2</sup>**

High quality child care and early learning programs support child development and offer parents peace of mind while they work or attend school.

Unfortunately, the demand for quality care far outweighs the supply, so many families struggle to access and afford the care options they want or need. While there are several federally funded programs that provide working families with access to quality child care opportunities, limited funding leaves many eligible children unserved. The impacts of these challenges extend beyond families and carry over to the workplace. As a direct result, the national economy loses **\$122 billion annually** in the form of lost earnings, productivity, and revenue.<sup>3</sup>

Below is a list of existing child care and early learning programs which together form a mix delivery system that supports parental choice and aims to meet children's individual needs. These programs have unique eligibility requirements and service delivery models. However, at current funding levels, each only reaches a fraction of eligible families.

**STATE OF CHILD CARE IN MICHIGAN**
**669,327**

 Children 5 & Under<sup>4</sup>
**65%**

 Children 5 & Under with All Available Parents in the Workforce<sup>5</sup>
**4,039**

 Licensed Child Care Centers in 2023 (-476 compared to 2022)<sup>6</sup>
**3,400**

 Licensed Family Child Care Homes in 2023 (-21 compared to 2022)<sup>7</sup>
**30%**

 Gap in the Supply of Child Care vs. the Potential Need<sup>8</sup>
**\$3B**

 Estimated Economic Impact of Infant-Toddler Child Care Challenges Each Year<sup>9</sup>
**\$12,667**

 Annual Price of Center-Based Infant Care (\$1,056 per month)<sup>10</sup>
**\$9,044**

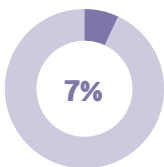
 Annual Price of Home-Based Infant Care (\$754 per month)<sup>11</sup>
**\$115,437**

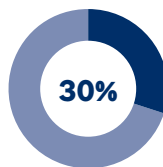
 Median Income of Married-Couple Family<sup>12</sup>
**11.0%**

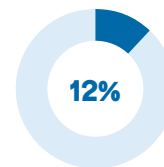
 Portion of Income Spent by a Married-Couple Family on Center-Based Infant Care<sup>13</sup>
**\$33,493**

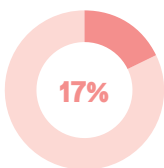
 Median Income of Single-Parent Family<sup>14</sup>
**37.8%**

 Portion of Income Spent by a Single-Parent Family on Center-Based Infant Care<sup>15</sup>
**CHILD CARE & DEVELOPMENT BLOCK GRANT (CCDBG)**

 196,247 CHILDREN 5 & UNDER ELIGIBLE<sup>16</sup>  
 14,616 CHILDREN 5 & UNDER SERVED<sup>17</sup>

 ELIGIBLE CHILDREN 5 & UNDER SERVED<sup>18</sup>
**HEAD START**

 65,511 CHILDREN ELIGIBLE<sup>19</sup>  
 19,572 CHILDREN ENROLLED<sup>20</sup>

 ELIGIBLE CHILDREN SERVED<sup>21</sup>
**EARLY HEAD START**

 65,511 CHILDREN ELIGIBLE<sup>22</sup>  
 7,732 CHILDREN ENROLLED<sup>23</sup>

 ELIGIBLE CHILDREN SERVED<sup>24</sup>
**STATE-FUNDED PRE-K**

 38,140 CHILDREN ENROLLED<sup>25</sup>

 3-AND 4-YEAR-OLDS SERVED<sup>26</sup>
**MIGRANT AND SEASONAL HEAD START**

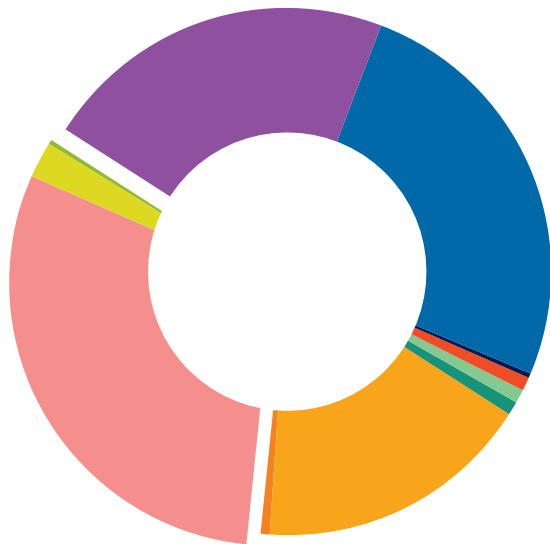
 353 CHILDREN ENROLLED<sup>27</sup>
**MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING (MIECHV)**

 1,556 FAMILIES SERVED<sup>28</sup>
**IDEA PART C**

 (EARLY INTERVENTION)  
 12,371 CHILDREN SERVED<sup>29</sup>
**IDEA PART B, SEC. 619**

 (PRESCHOOL SPECIAL EDUCATION)  
 12,406 CHILDREN SERVED<sup>30</sup>

## MICHIGAN: FEDERAL AND STATE CHILD CARE AND EARLY LEARNING FUNDING



- \$325.8M** CCDBG and Mandatory Funds<sup>31</sup>
- \$385.1M** Head Start and Early Head Start<sup>32</sup> (includes AIAN HS/EHS when applicable)
- \$4M** PDG B-5<sup>33</sup>
- \$10.6M** MIECHV<sup>34</sup>
- \$14.5M** IDEA Part C<sup>35</sup>
- \$13.8M** IDEA Part B, Sec. 619<sup>36</sup>
- \$252.3M** TANF Early Care and Education<sup>37</sup>
- \$8.3M** TANF Transferred to CCDBG<sup>38</sup>

### STATE INVESTMENT

- \$452.1M** State-Funded Pre-K<sup>39</sup>
- \$33.1M** CCDBG State Match<sup>40</sup>
- \$1.2M** PDG B-5 State Match<sup>41</sup>

## ELEMENTS OF PROGRAM QUALITY

Program quality varies substantially within and across states.

Quality child care and early learning programs rely on a strong workforce, but low pay makes it difficult to recruit and retain educators. **In Michigan, child care workers earn \$13.88 per hour (\$28,860 annually).**<sup>42</sup>

Teacher-child ratios are crucial for ensuring safety, quality, and individual attention. Licensed center-based care providers participating in CCDBG are required to have the following ratios:<sup>43</sup>

- **Infant 1:4**
- **Toddler 1:4**
- **Preschool 1:8 for 20 months-age 3, 1:10 for age 3, 1:12 for age 4**

The state's pre-K program met **10/10 of NIEER's Quality Standards Benchmarks**, which represent minimum standards to support quality preschool programs.<sup>44</sup>

Preschool Development Grant Birth Through Five (PDG B-5) is a competitive federal grant designed to improve states' early childhood systems. **Michigan's PDG B-5 accomplishments include:**<sup>45</sup>

- Supported family knowledge and choice through translated and culturally supportive communications efforts, such as preschool awareness campaigns.
- Piloted a public preschool program for 3-year-olds that aligns with the state's established Great Start Readiness Program for 4-year-olds.

## CHILD AND DEPENDENT CARE TAX CREDIT (CDCTC)

The Child and Dependent Care Tax Credit (CDCTC) directly helps working parents offset the cost of child care.

In its current form, the credit only reaches a small percentage of families and has been swiftly outpaced by the escalating cost of child care as it lacks any adjustment for inflation.

Last permanently updated in 2001, the current credit averages \$500-\$600 a year.<sup>46</sup>

## CDCTC IN MICHIGAN BY TAX YEAR

<b>2020</b>	<ul style="list-style-type: none"> <li>• 124,580: Number of taxpayers claiming the CDCTC<sup>47</sup></li> <li>• \$508: Average credit</li> </ul>
<b>2021</b>	<p><i>The CDCTC was temporarily expanded and made refundable for one year in response to the pandemic.</i></p> <ul style="list-style-type: none"> <li>• 163,580: Number of taxpayers claiming the CDCTC<sup>48</sup> (an additional 39,000 from 2020)</li> <li>• \$2,188: Average Credit (an additional \$1,680 from 2020, on average)</li> </ul>
<b>TODAY</b>	<p><i>The temporary expansion expired; the CDCTC reverted back to 2001 levels.</i></p> <ul style="list-style-type: none"> <li>• \$500-600: Average credit</li> </ul>

NOTE: Major provisions of the Tax Cuts and Jobs Act of 2017 (TCJA) expire at the end of 2025<sup>49</sup>, giving Congress the opportunity to modernize the CDCTC and other tax provisions to better help working families offset the cost of quality child care.<sup>50</sup>



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