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STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



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DIRECTOR

February 3, 2010

The Honorable Bill Hardiman, Chair
Senate Appropriations Subcommittee on DHS
Michigan State Senate
Lansing, Michigan 48933

The Honorable Dudley Spade, Chair
House Appropriations Subcommittee on DHS
Michigan House of Representatives
Lansing, Michigan 48933

Dear Senator Hardiman and Representative Spade:

Section 678 of 2009 Public Act No. 129 (Enrolled Senate Bill No. 248) requires the Department of Human Services to report on the activities of the Early Childhood Investment Corporation. The report is attached

If you have any questions about the attached material, please contact Susan Kangas, chief administrative officer, at 517-373-7787.

Sincerely,

Ismael Ahmed

Attachment

C: Senate and House Appropriations Subcommittee on DHS
Senate and House Fiscal Agencies
Senate and House Policy Offices
State Budget Office

**EARLY CHILDHOOD INVESTMENT CORPORATION
PUBLIC ACT 129 OF 2009, SECTION 678**

SECTION 678. (1) The Department shall provide the house and senate appropriations subcommittees on the department budget with an annual report on the activities of the Early Childhood Investment Corporation (ECIC). The report is due by February 1 of each year and shall contain at least the following information:

- a) Detail of the amounts of grants awarded.
- b) The grant recipients.
- c) The activities funded by each grant.
- d) An analysis of each grant recipient's success in addressing the development of a comprehensive system of early childhood services and supports.

(2) All ECIC contracts for comprehensive systems planning shall be bid out through a statewide request-for-proposal process.

REPORT TO THE LEGISLATURE

A. Introduction

Through an interlocal agreement, the ECIC was established as a non-profit corporation to focus on three areas that are critical to improving the ability of communities to respond to the needs of families with children from birth to five years of age:

- Support, sponsor and fund partnerships with communities to promote collaborative community approaches for comprehensive plans to address the needs of families with children from birth to five years of age.
- Work with state government to optimize the manner in which public and private resources are used for early childhood services.
- Serve as a central clearinghouse for information, resources, and best practices on a variety of early childhood issues, including technical assistance for Michigan communities, parent support, child development, and support of child care providers.

The ECIC has developed seven areas of focus with long term goals and annual objectives in order to achieve the Great Start vision and results:

1. Supporting the Great Start Infrastructure-parents of young children will have access to a comprehensive and coordinated array of community-based, family-centered, culturally-competent, high quality early childhood programs, services, and supports.
2. Advancing Great Start results-Michigan has a comprehensive and coordinated array of evidence-based early childhood programs, supports and services with sufficient capacity to achieve the Great Start system results.

3. Increasing knowledge through early childhood research-ECIC has a core of research-based knowledge with which it can advocate, educate, and communicate.
4. Developing innovative early childhood policy—that gap between “what we know” from scientific early childhood research and “what we do” in early childhood policy is closed.
5. Advancing public education and public will-A knowledgeable, mobilized and involved citizenry ensures that the state of Michigan makes children among its highest priorities and demonstrates that commitment through sustained public and private investment in early childhood programs and services.
6. Increasing public and private investment-permanent and adequate funding is in place to sustain both the infrastructure and programs of the Great Start system.
7. Continuously incorporating evaluation findings into all aspects of the ECIC work-ECIC, Great Start Collaboratives, and Great Start Parent Coalitions use evaluation findings to continuously inform and improve means, methods, decisions, and approaches to their respective scopes of work.

B. GREAT START COLLABORATIVE GRANTS

One of the key mechanisms to support the Great Start Project is the development of local focal points known as Great Start Collaboratives (GSCs). As of today every community in the state is served by a GSC. ECIC has steadily increased the number of GSCs from 21 in 2007, to 32 in 2008, to 55 in 2009. This statewide expansion was the direct result of the State School Aid appropriation in 2009, combined with the private funding from the Kellogg and Kresge Foundations, and the federal Child Care Development Fund (CCDF) dollars made available through a contract with the Department of Human Services. The combination of these fund sources provides flexibility to complete the work of building the Great Start system at both the state and local levels.

Each Great Start Collaborative is charged with overseeing the planning, implementation and ongoing improvement of an infrastructure designed to support a local, comprehensive early childhood system. Their mission, based upon a two-year state-wide process (2002-2004) that involved citizens from all parts of the state that ultimately led to the Great Start initiative, aims to ensure that all Michigan children enter school safe, healthy, and eager to succeed in school and life. Each Collaborative commits to a set of activities designed to assess community capacity and challenges, to develop strategic plans to improve services for children birth to 5 years of age and their families, and to increase local understanding and involvement in this issue. In addition, a priority is placed on engaging parents in

local efforts through the development of parent coalitions and through 20% parent participation on the Collaborative.

The following table outlines the community phase of funding and total allocation for fiscal years 2009 and 2010. In fiscal year 2009 the DHS' CCDF grant supported \$1.4 million of the total \$8 million allocation. In fiscal year 2010 it is anticipated that CCDF dollars will support \$500,000 of the total \$8 million in base allocations. In addition to the base allocation grants, ECIC may provide up to \$1.26 million to the GSCs for innovative implementation grants. Those awards will be based on competitive applications and have not yet been finalized.

Local Great Start Collaboratives Funded in FY 2009 & 10	Phase*	Total ECIC 2010 Base Allocation for GSCs	Total ECIC 2009 Allocation for GSC's
Allegan	3	160,000	160,000
Alpena-Montmorency-Alcona	3	120,000	120,000
Barry	4	120,000	60,000
Bay-Arenac	2	143,783	160,000
Berrien	2	155,977	160,000
Branch	1	123,951	125,000
C.O.O.R.	3	120,000	120,000
Calhoun	4	160,000	80,000
Charlevoix-Emmet	1	125,000	125,000
Cheboygan-Otsego-Presque Isle	3	120,000	120,000
Clare-Gladwin	2	111,635	120,000
Clinton	3	120,000	120,000
Copper Country	2	107,755	120,000
Delta-Schoolcraft	2	120,000	120,000
Dickinson-Iron	1	122,000	125,000
Eastern UP	1	122,431	125,000
Eaton	1	165,000	165,000
Genesee	1	292,753	300,000
Gogebic-Ontonagon	3	120,000	120,000
Gratiot-Isabella	4	160,000	80,000
Hillsdale	3	120,000	120,000
Huron	3	120,000	120,000
Ingham	1	165,000	165,000
Ionia	3	120,000	120,000
Iosco	4	108,000	60,000
Jackson	1	128,200	165,000
Kalamazoo	1	163,557	165,000

Kent	1	267,422	300,000
Lapeer	3	120,000	120,000
Lenawee	2	142,700	160,000
Lewis-Cass	4	106,534	60,000
Livingston	3	160,000	160,000
Macomb**	2	128,333	160,000
Marquette-Alger	3	120,000	120,000
Mason-Lake-Oceana	3	160,000	160,000
Mecosta-Osceola	1	122,650	125,000
Menominee	4	120,000	60,000
Midland	2	120,000	120,000
Monroe County	1	164,544	165,000
Montcalm	2	120,000	120,000
Muskegon	1	144,088	165,000
Newaygo	1	121,070	125,000
Oakland Schools**	1	249,427	315,000
Ottawa	1	163,456	165,000
Saginaw	1	160,000	165,000
Sanilac	3	120,000	120,000
Shiawassee	1	125,000	125,000
St. Clair	1	165,000	165,000
St. Joseph	1	125,000	125,000
Traverse Bay Area/Manistee	2/4	200,000	220,000
Tuscola	3	120,000	120,000
Van Buren	3	120,000	120,000
Washtenaw	2	157,370	160,000
Wayne County**	1	385,000	400,000
Wexford-Missaukee	3	120,000	120,000
		<u>\$8,042,636</u>	<u>\$7,980,000</u>

Phase 1 began March 2006 (14 communities) or October (7 communities)

Phase 2 began April 1, 2008

Phase 3 began October 1, 2008

Phase 4 began April 1, 2009 (Manistee merged with Traverse Bay Area)

**Funded by Kresge Foundation

C. ECIC Administration

Child Care and Development Fund (CCDF) “quality” dollars that had previously been used internally by DHS to coordinate and support early childhood programs to improve the delivery of services to children and families have been assigned to ECIC for this broadly expanded work. The funds expended in fiscal year 2009 for ECIC administration totaled \$915,000 or 6.4 percent of the total CCDF allocation.

D. Quality Activities

FY2009

In addition to the Great Start Collaborative grants, the ECIC has responsibility for the continuation of quality child care initiatives. The following table shows the expenditures in fiscal year 2009 for the major “quality” programs and services funded by ECIC with CCDF funds. Following the table is a brief description of these programs.

Resource and Referral Contracts	\$6,002,866
Professional Development	2,268,825
Scholarships for Child Care Professionals	1,759,915
Publications	444,052
Regional Resource Center—start up grants	153,720

Child Care Resource and Referral

ECIC entered into 3 contracts to provide resource and referral services throughout Michigan. These contracts assisted families who needed child care services by maintaining a register of child care providers in the geographic area for which they were responsible and provided appropriate referrals. ECIC contracted with the Michigan 4C Association, Child Care Connections/Northwest MI 4C, and Detroit/Wayne County 4C. There was geographic coverage of the entire state of Michigan through these 3 contracts.

Child Care Provider Training

Two contracts were in place to provide training and professional development opportunities for child care providers. These contracts assured that providers were offered a wide range of training opportunities to assure that they had the skills and knowledge necessary to provide both safe and stimulating settings for children in care. One contract was through Michigan State University Extension and the other is through the Michigan 4C Association.

Accreditation Scholarships and Incentives

This service under the professional development contract was used to provide a limited amount of funding to child care providers to become a nationally accredited center or home program. These services were provided as part of a contract with the Michigan 4C Association.

Day Care Aide and Relative Care Provider Incentives

This service under the professional development contract established an incentive for day care aides and relative care providers to be trained on issues relevant to their role as providers of child care. Day care aides and relative care providers who met eligibility requirements and who completed at least sixteen hours of training were eligible for a one-time incentive of \$150. These services were provided as part of a contract with the Michigan 4C Association.

Teacher Education and Compensation Helps (T.E.A.C.H.)

This is a scholarship program for child care professionals working toward an associate's or bachelor's degree in early childhood education, child development or a Child Development Associate (CDA) credential. The Michigan 4C Association administers this program.

Consumer Education

ECIC had two contracts for publications designed to provide child development, health and safety information and resources for child care providers. One publication, Healthy Child Care, was targeted for regulated providers and was published and distributed through Healthy Child Publications. The other publication, called Start, was distributed to families using DHS child care services and relative care providers. Between both publications, nearly 100,000 child care providers and families received information on a bi-monthly basis.

FY2010 GREAT START CHILD CARE QUALITY PROJECT

Beginning in October, 2009 ECIC completely revamped the manner in which the "quality" dollars are allocated. The Great Start Child Care Quality Project is a culmination of two years of research, review and restructuring of how Michigan's child care quality dollars have been used for more than two decades. The new plan provides for a comprehensive system of supports and services designed to improve child care quality. It differs from the past in several significant ways:

- It is designed on a systems integration model.

- It increases the amount of money going to direct service and away from buildings and staff.
- It assumes a market-based approach where possible including parents learning from other parents about child care settings.
- It makes more and better information available to everyone 24/7.
- It allows for more concentration on the weak spots in Michigan's child care system.
- It puts the ownership of child care quality in the hands of local people who are closest to the problems and solutions and expands the stakeholder table.

Great Start CONNECT was created as a 24/7 database for available child care, resources and training information. This system is important because it is accessed by thousands of Michigan child care providers across all settings and by families who use child care. The project supports child care providers with professional development, training, and resources. The project supports families, who are consumers of child care, with resources and child care referrals.

The Great Start Child Care Quality Project is composed of a statewide network of ten Great Start Regional Child Care Resource Center projects, the Great Start Michigan Child Care Resource Center, Great Start *Connect*, the online Early Learning Resource, T.E.A.C.H and the Child Care Enhancement Project (CCEP) which is separately funded by DHS and DCH through an interagency agreement.

The ten regional projects coordinate supports and services for child care providers across settings, and for families who use child care. Each project leader together with early childhood representatives from the region (Great Start Collaborative Directors, parents, child care providers, and community members) developed regional child care quality improvement plans. The regional child care quality improvement plans reflect the characteristics unique to each region, the challenges impacting child care quality, and the optimum strategies to improve quality. The improvement plans incorporate connections, collaborations, and early childhood partnerships, identify the assets within a given region, and address the identified needs/gaps. It is these improvement plans along with state mandated training requirements that ECIC is funding in fiscal year 2010.

The Great Start Michigan Child Care Resource Center maintains Great Start *Connect*, works with ECIC to establish a Curriculum Review Advisory Council (key to the building of a professional development system in Michigan), and in conjunction with ECIC aligns the regional quality improvement initiatives and efforts statewide. The Curriculum Review Advisory Council reviews child care provider professional development and training content and curriculum, approves content and curriculum, and approves trainers. The Curriculum Review Advisory Council approves content, curriculum, and trainers aligned with Michigan's professional development system. ECIC is funding Central Michigan University to house and provide statewide coordinating efforts.

Great Start *Connect*, Michigan's new online Early Learning Resource is housing a licensed child care provider search database, child care provider profiles, the child care provider professional development registry, connections to resources across the state, and consumer education information about quality child care and child development. Great Start *Connect* was soft launched in October to very positive reviews.

The Great Start Child Care Quality Project acknowledges the reality in Michigan; the majority of the state's most vulnerable children are cared for by informal providers, relative and aide providers, who receive subsidy for providing child care. The priority of the regional child care quality improvement plans is the outreach and engagement of relative and aide providers.

Detailed below are the funding allocations for the Great Start Child Care Quality Project:

Wayne	\$1,799,585
Eastern	1,188,335
Oakland/Macomb	1,053,335
Western	1,053,335
Southwest	903,335
Central	808,330
Southeast	808,330
Upper Peninsula	649,585
Northeast	617,915
Northwest	617,915
MI Child Care Resource Center	500,000
 Subtotal Resource Centers	 10,000,000
 TEACH	 1,400,000
CONNECT	19,500
 CCEP *	 999,583

*CCEP is not a part of the Establishment Agreement between DHS and ECIC but rather a separate interagency agreement between DHS and the Department of Community Health.