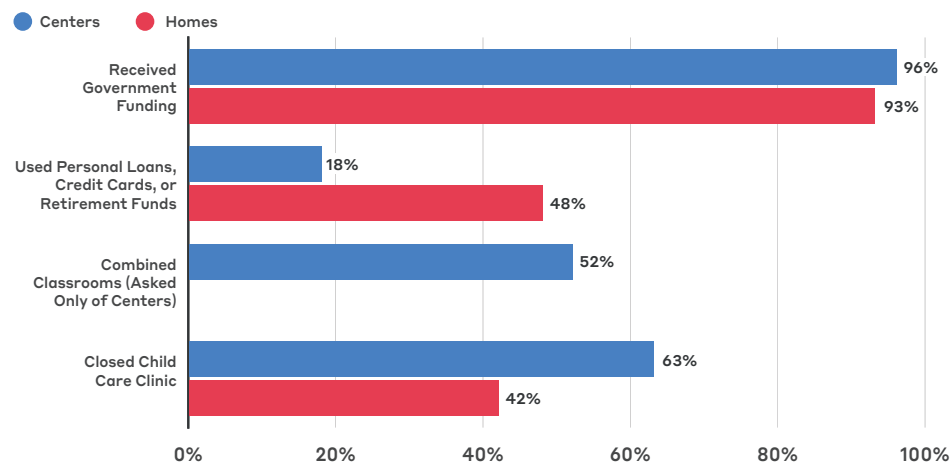


Child Care Programs in Michigan

A study conducted by the Bipartisan Policy Center finds that the COVID-19 relief packages passed by Congress were a lifeline for struggling U.S. child care programs. Nearly all child care providers in the 11-state survey reported using the funds to keep their businesses open during the pandemic. Key findings for Michigan are highlighted below.

Strategies Used by Child Care Centers/Homes in Michigan During the Pandemic



Top 3 Reasons Centers Closed

- Government Requirement (40%)
- Covid Exposure/Illness (21%)
- Loss of Enrollment (18%)

Top 3 Reasons Homes Closed

- Government Requirement (43%)
- Loss of Enrollment (24%)
- Other (16%)

Top 3 Reasons Centers Combined Classrooms

- Loss of Enrollment (51%)
- Loss of Teachers, Unable to Hire Replacements (27%)
- Other (12%)

Almost two-thirds (63%) of child care centers and 42% of family child care homes (FCC) in Michigan closed at some point during the pandemic with homes closing for fewer days, on average (59.5 days), compared to centers that closed (74 days). Both centers and family child care homes cited government requirements (40% and 43% respectively), loss of enrollment (18% and 24% respectively), and centers cited COVID illness/exposure (21%) while homes gave other reasons as the top three reasons for closing.

Additionally, 52% of centers reported combining classes due to loss of enrollment (51%) and loss of teachers

and being unable to replace them (27%) as their main reasons for doing so. About 18% of centers and 48% of homes reported the use of personal loans, credit cards, or retirement funds to stay afloat.

Most centers (96%) and homes (93%) reported receiving government relief funding during the pandemic. On average, centers received \$186,150 (median \$98,855) and homes received \$28,232 (median \$18,082) to help them to continue operating. Centers reported spending the money to pay teachers, pay the rent/mortgage, or to pay for facility maintenance or modification, while homes mainly spent the money to pay rent/mortgage,

Uses of Government Relief Funding for Centers and Homes in Michigan

	Child Care Centers	Family Child Care Homes
Pay Teachers and Other Classroom Staff	66%	N/A
Pay Other Essential Support Staff (Centers)/ Assistants (Homes)	4%	17%
Pay Rent/Mortgage	8%	30%
Pay for Facility Maintenance or Modifications	7%	19%
Pay for Personal Protective Equipment	6%	10%
Create Socially Distanced Space for Children and Staff	4%	7%
Start/Resume Mental Health Services to Children and Staff	1%	1%
Pay for Activities	4%	16%

pay other essential support staff, and to pay for facility maintenance or modification.

THE PANDEMIC'S IMPACT

Enrollment: In Michigan, between March 2020 and May 2022, enrollment in centers increased by 12.52% and decreased by 5.27% in homes. The increase among enrollment in centers was most pronounced among before-and-after care for school children (31.82%), remained similar among 3- to 5-year-olds (-0.88%) increased among infants and toddlers decreased by 24.13%. Among homes, enrollment declined among all age groups, with the steepest decline for before-and-after care for school children (-6.76%).

Enrollment in Centers and Homes in Michigan

Centers				
	Mar - 20	May - 22	Change	% Change
Infants/Toddler (Birth-2)	19.77	24.54	4.77	24.13%
3 to 5 Years Old	38.76	38.42	-0.34	-0.88%
Before and After School (School-Age)	15.00	19.77	4.77	31.82%
Total Capacity	73.53	82.73	9.20	12.52%

Homes				
	Mar - 20	May - 22	Change	% Change
Infants/Toddler (Birth-2)	3.27	3.14	-0.1	-3.88%
3 to 5 Years Old	5.00	4.73	-0.3	-5.40%
Before and After School (School-Age)	2.35	2.19	-0.2	-6.76%
Total Capacity	10.62	10.06	-0.6	-5.27%

Staffing: In Michigan, between March 2020 and May 2022, there was a decline in the number of lead teachers, but the number of assistant teachers, center directors and assistant directors, and other staff rose.

Average Number of Staff

	Mar - 20	May - 22	Change	% Change
Lead Teacher	5.81	5.25	-0.56	-9.62%
Assistant Teacher	9.97	10.35	0.38	3.83%
Center Director or Assistant Director	1.26	1.38	0.13	10.13%
Other staff	2.47	2.73	0.26	10.50%

Methodology of 11-State Survey:

The Bipartisan Policy Center worked with Well World Solutions to conduct a survey of child care centers and family child care homes in 11 states to better understand how child care programs weathered the COVID-19 pandemic and how they used the federal government's pandemic-related stimulus funding. The survey was fielded from June 14-30, 2022. The MOE was +/- 11% for centers and +/-9% for homes in Michigan. For more information on the methodology, see the full report.

In May 2022, the average number of openings in centers was 2.62 for lead teachers and 4.06 for assistant teachers. The table below provides more details.

Average Number of Openings in Centers in Michigan

Lead Teachers	
Total	2.62
Infant/Toddler	1.20
3- to 5- Year Olds	1.02
Before and After School	0.40

Assistant Teachers	
Total	4.06
Infant/Toddler	1.89
3- to 5- Year Olds	1.72
Before and After School	0.45

Total Openings	
Infant/Toddler	3.09
3- to 5- Year Olds	2.74
Before and After School	0.85

Strategies used by centers hiring new staff and retaining existing staff included, offering higher wages, part-time or flexible schedules, and signing/retention bonuses. Their biggest competitor for staff was public schools.

Almost half home-based providers (49%) have staff – about half of them (54%) said hiring staff was “very difficult” and 31% felt similarly about retaining staff.

CONCLUSION

The pandemic exposed fundamental flaws in the child care market. COVID-19 relief funding kept the child care market afloat, but as we emerge from the pandemic, we must address the flaws in the business model so that child care can survive and our economy can fully recover. We need to examine the true costs of child care and determine how to ensure the country has a stable, high-quantity system that meets the needs of all concerned—parents, children, businesses, and our education system. Child care provides a public good. Congress and our nation needs to ensure every parent has access to safe, affordable, quality child care.