

Michigan's Infant Toddler Quality Improvement (ITQI) Pilot: Early Evidence of Positive Impacts



In Michigan, there are approximately 6,400¹ child care providers licensed to serve infants and/or toddlers, or children under age 3. In Nov. 2023, the subset of these programs that were currently serving at least one infant or toddler and accepting child care subsidy payments were invited to apply for Michigan's **ITQI pilot program**. More than 1/3 of the state's licensed infant/toddler child care providers submitted applications. Due to limited funding, only **195 of these programs received grants, averaging \$805,920**. In total, Michigan will distribute \$35.5 million in grant funds in Fiscal Year 2024.

The ITQI Grant Pilot

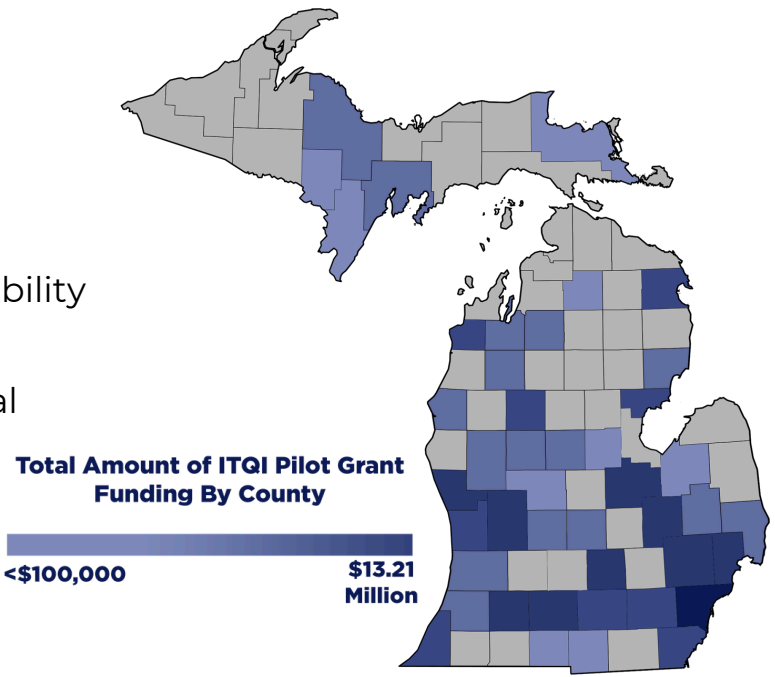
Michigan is experiencing an infant/toddler child care supply crisis. The cost of providing quality education and care for babies is significantly higher than what most families are able to afford, and Child Care Scholarship compensation rates from public investments fall short of the true cost of providing care. This results in depressed wages for early educators, staff shortages, and a scarcity of affordable, quality infant/toddler care. The majority (60%) of the 1,700 businesses that applied to be part of Michigan's ITQI pilot reported at least one full-time infant/toddler staffing vacancy, an indicator that they are struggling to operate at their full licensed capacity because of staff shortages.

The one-year ITQI pilot² was created to test a potential solution: by using contracts to stabilize infant/toddler child care businesses, the payments they receive from the state Child Care Scholarship (formerly Child Care and Development subsidy) program are augmented by monthly stipends. Additional funds raise providers' total compensation to a level more consistent with the true cost of providing infant/toddler care in Michigan. The ITQI pilot data demonstrates whether grants result in greater workforce compensation and recruitment, and/or increases in the infant/toddler child care supply. **Four months into the ITQI pilot, preliminary findings are extremely promising.**

Infant/Toddler Quality Improvement Pilot Program Participants

Of the programs funded:

- 95%** are directed by women, and **48%** by BIPOC³ women.
- 70%** are caring for a child with a developmental delay and/or disability receiving Early On services.
- 80%** offer non-traditional hours,⁴ essential for many low-income families with parents working second/third shift.
- 91%** are located in zip codes that are within child care deserts as identified by the state.



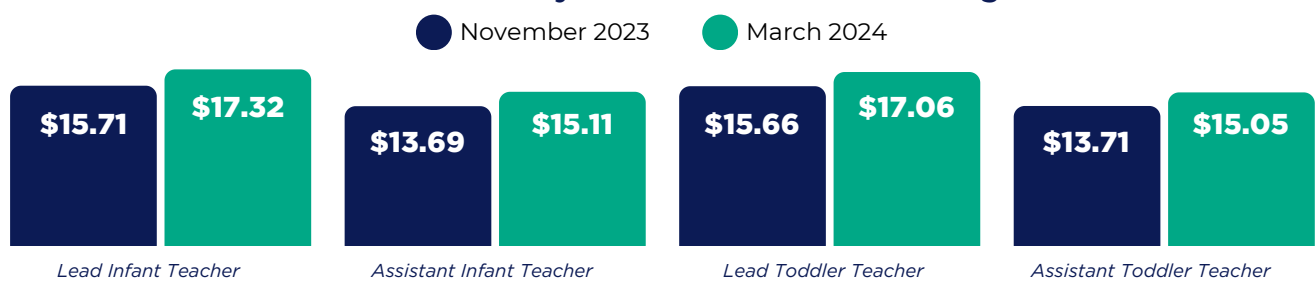
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Impact of ITQI Pilot on Early Educator Wages

While compensation levels are still much too low, just four months into the pilot, participants **increased infant/toddler educator wages by an average of \$1.44 per hour.**

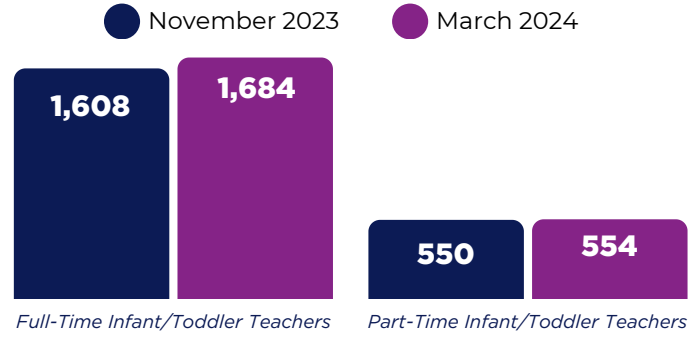
Increases in Hourly Infant/Toddler Teacher Wages



Impact of ITQI Pilot on Teacher Recruitment

The ITQI pilot participants hired **76 new full-time infant/toddler teachers** during the first four months of the pilot, and an additional **4 part-time infant/toddler teachers.**

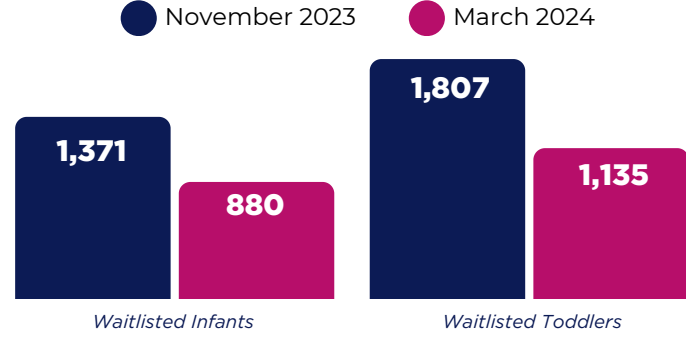
Changes in Infant/Toddler Teaching Staff



Impact of ITQI Pilot on Child Care Supply

Participating programs were able to serve additional children, reducing infant/toddler waitlists, and **enrolling 491 infants and 672 toddlers** who were previously waitlisted.

ITQI Pilot Program Waitlists



“With the continued funding, it has increased my employee’s pay and I have been able to give much-needed bonuses. I can’t thank you enough for the ability to expand and grow my business while helping children in my community.”

— Robin Dorman, Home-Based Child Care Provider, Muskegon, MI

“One of the most tangible effects of our participation in the ITQI Pilot has been the ability to expand our team. With the resources provided, we’ve been able to hire 10 new staff members, each bringing their unique talents and passion to our program.”

— Caterpillar Corner Child Care Center, Holt, MI

“One goal was to increase toddler slots and we have. At the time of application, we had 36 [children receiving child care assistance], now we have increased to 43; our total capacity has increased to 68. We are proud of being a rock for our families and their children.”

— Children’s Garden II, Dearborn, MI

For more information about the ITQI Pilot please contact Donna Wade, Senior Program Director, ECIC: dwade@ecic4kids.org

¹ The Michigan Department of Lifelong Education, Advancement and Potential (MILEAP) provides child care assistance to eligible low-income families through its Child Care Scholarship program, formerly known as the Child Care and Development subsidy program.
² The Infant Toddler Quality Improvement (ITQI) pilot was authorized by Public Act Number 0109 of 2022. It is funded with one-time federal dollars that were part of the historic \$1.4 billion investment in child care that Michigan received through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act (ARPA).
³ BIPOC: Black, Indigenous, and People of Color
⁴ Non-traditional hours are defined as opening before 7 a.m. and/or closing after 6 p.m.
⁵ Michigan State Child Care Mapping Project. <https://bit.ly/MIMappingProject>