

2026

CHALLENGES & OPPORTUNITIES

FUNDING EARLY CARE AND EDUCATION

IN COLLABORATION WITH CHILD TRENDS
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First Steps Kent

1. EXECUTIVE SUMMARY

Prior to 2024, early childhood data sources were pieced together to help tell the story of countywide funding of Early Care and Education (ECE) in Kent County. In 2024, First Steps Kent took the ambitious step of initiating a comprehensive fiscal map for local stakeholders seeking to improve Early Care and Education outcomes, specifically through increased access and quality of child care. This financial tool serves as an interactive resource to document and examine the latest relevant public and private sector data. Designed to help answer three essential questions for stakeholders, the 2024 report focused on the following:

1. **HOW IS FUNDING FOR EARLY CARE AND EDUCATION STRUCTURED IN MICHIGAN?**
2. **WHAT FUNDING SOURCES ARE AVAILABLE FOR EARLY CARE AND EDUCATION IN KENT COUNTY?**
3. **HOW IS CURRENT FUNDING BEING USED?**

In late 2025, stakeholders asked First Steps Kent to update the findings from the prior report with the latest available funding data to aid in building strategy and inform system planning.

In the sections that follow, this report seeks to:

- **PRESENT UPDATED INFORMATION ABOUT THE AVAILABLE FUNDING SOURCES** and amounts available for ECE in Kent County, including how much of that funding is available for various **programs** (such as child care vs. preschool) and **purposes** (such as workforce supports vs. services).
- **HIGHLIGHT FUNDING THAT IS AT RISK OF BEING CUT** or has been cut in recent years, as well as appropriated funds that may be underutilized.
- Finally, **PRESENT GUIDANCE** for how this information can continue to serve the county.

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ABOUT FIRST STEPS KENT

First Steps Kent builds public support for early childhood by educating the community about the importance of early childhood development and advocating for policies that support young children and their families. The organization also works to ensure high-quality programs and services are accessible to families and they are well coordinated and effective.

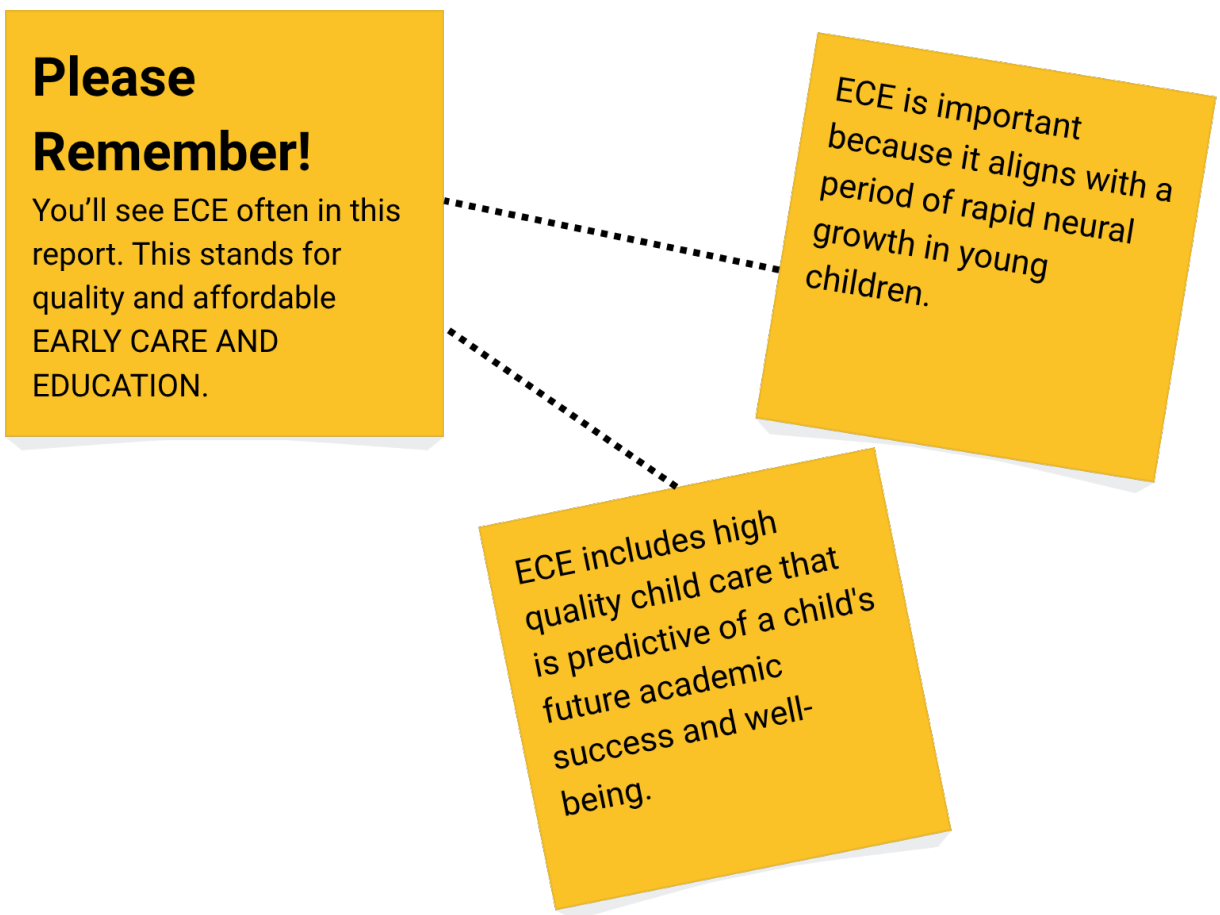
2. INTRODUCTION

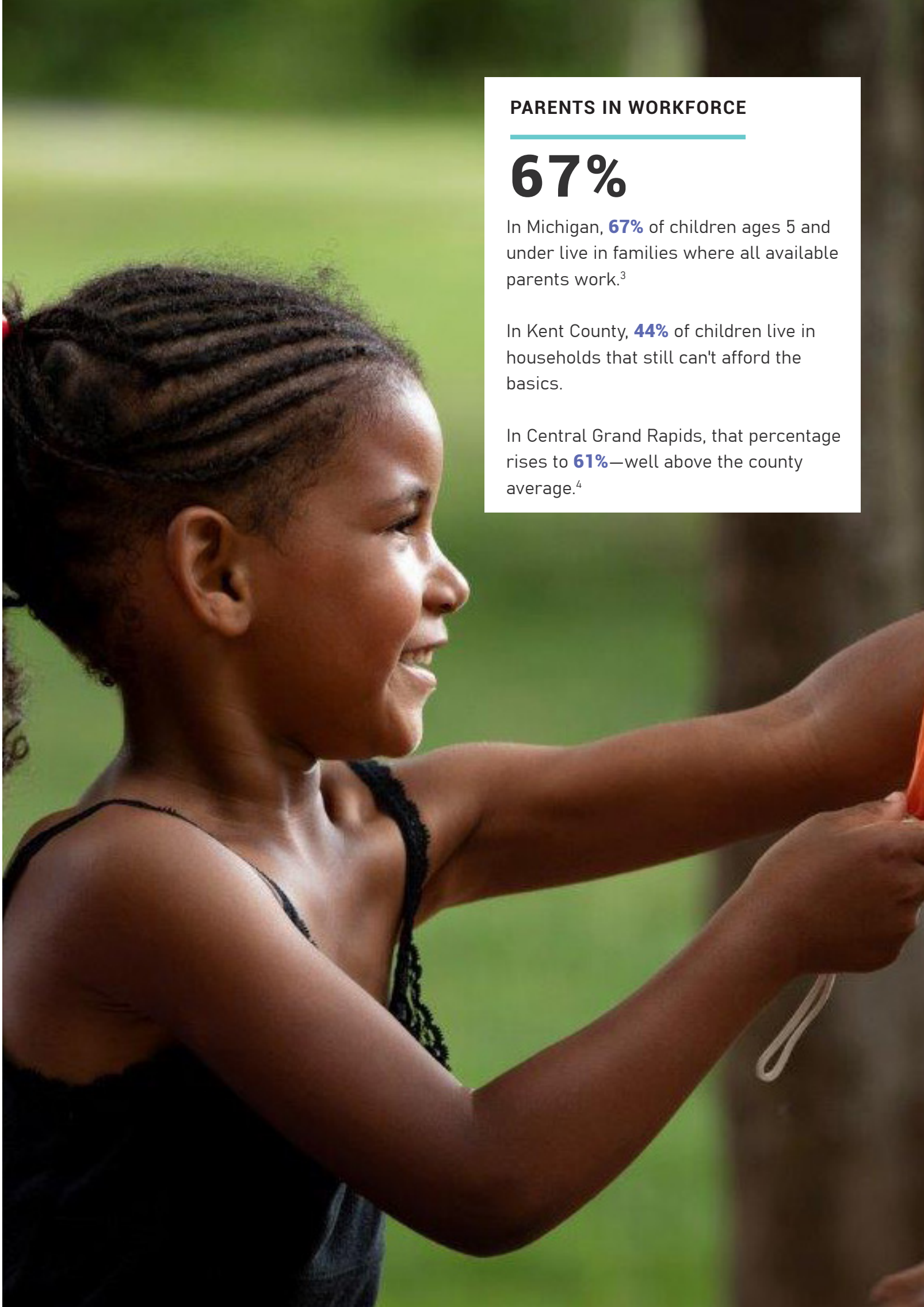
Access to high quality and affordable early care and education (ECE) is a significant challenge across the country, including in Kent County, Michigan. **Kent County is home to approximately 52,323 children between 0 and 5 years old.**[1] Circumstantially, approximately 70% of Kent County children ages 0-5 have all available parents in the workforce.[2]

In 2024, the Kent County Board of Commissioners convened a key stakeholder group, the Child Care Task Force (CCTF) to help identify challenges related to access, and quality of, ECE in the county and present recommendations to address those challenges. To aid the CCTF in their work, First Steps Kent partnered with Child Trends to provide the first iteration of the ECE fiscal map, documenting the current state of funding sources at the state and county levels. This enabled Kent County leaders - including CCTF members - to compare the available ECE funding to the community's needs and to devise strategies for addressing any potential gaps.

The results of the fiscal mapping work completed in 2024 were compiled in a report that helped inform the efforts of the CCTF through 2025.

This report is an update to "Challenges and Opportunities: Mapping Kent County's Child Care Fiscal Resources" report published in 2024.





PARENTS IN WORKFORCE

67%

In Michigan, **67%** of children ages 5 and under live in families where all available parents work.[3]

In Kent County, **44%** of children live in households that still can't afford the basics.

In Central Grand Rapids, that percentage rises to **61%**—well above the county average.[4]

3. ABOUT THE FISCAL MAP

TOGETHER WITH STAKEHOLDERS, FIRST STEPS KENT FOCUSED EXCLUSIVELY ON ECE FUNDING FROM BIRTH TO PRESCHOOL. IN KENT COUNTY, THIS INCLUDES:

- **CHILD CARE**, including child care subsidies (known as Child Development and Care [CDC] scholarships in Michigan)
- **THE GREAT START READINESS PROGRAM (GSRP)**, which is the state's publicly funded preschool for four-year-olds
- **DEVELOPMENTAL KINDERGARTEN**, which is the state's kindergarten option for children not old enough or ready for kindergarten
- **HEAD START AND EARLY HEAD START**[5]

As a result, this fiscal map excludes other early childhood services like home visiting or early interventions that are not specific to ECE.[6] Nonetheless, the fiscal map is based on a review of dozens of documents (e.g., reports, budgets, financial statements, and program websites) and interviews with several ECE experts. The documents and interviews enabled us to extract information about funding sources at the federal, state, and county levels. The data was categorized in a spreadsheet (e.g., the fiscal map dataset) and analyzed by Child Trends bringing its national perspective to bear.



MICHIGAN'S ECE FUNDING SOURCES

ECE is funded by an array of federal, state, local, and philanthropic sources in Michigan. The funding is currently fragmented, complex, and difficult to navigate.

The primary goal of this fiscal map is to use historical fiscal data to provide a reasonable estimate for the level of annual funding Kent County can expect from each funding source in the near-term. For each source, considerations were made whether funding was intended as a one-time or ongoing investment, the proportion of the funding that could be used for ECE (if the funding can also be used for other services), the proportion that could be used for Kent County (if historical county-level data were unavailable), and the overall funding trend and outlook (including accounting for the risk of any federal funding cuts).

Assumptions were made about what proportion of each funding source might support each of the four main ECE **PROGRAMS**: child care, GSRP, Developmental Kindergarten, and Head Start; as well as, assumptions about how the proportion each funding source might support the four ECE **PURPOSES**: capital investment, workforce supports, program quality and sustainability, and affordability and services (see page 8 for more detail).

Most **FEDERAL** funding sources flow to state agencies, which use the funding for state-level activities and/or pass the funds through to others such as the Intermediate School Districts (ISDs) and other ECE providers. However, some federal funding, such as funding from the Office of Head Start (OHS), is awarded directly to local organizations. Other examples of federal funding sources are Child Care and Development Fund (CCDF), Temporary Assistance for Needy Families (TANF), and the Preschool Development Grant (PDG).

STATE General Fund/General Purpose (GF/GP) dollars come from state taxes and fees and are available for spending for any purpose. Sometimes, the legislature uses these GF/GP dollars to create a "reserve fund" (akin to a savings account) for a particular purpose (e.g., the GSRP Reserve Fund). Dollars in a reserve fund remain available in future years but can only be used for the specific purpose for which the reserve fund was created. Finally, the state requires some taxes and fees be used for a specific purpose (e.g., all lottery proceeds must be used for the School Aid Fund).[7] These are referred to as "restricted funds."

In addition, there are **LOCAL** sources of funds, such as the Ready by Five Millage in Kent County. This millage collects local property taxes to fund essential early childhood services and supports.

Finally, there are **PHILANTHROPIC DOLLARS** that come from organizations like the W. K. Kellogg Foundation, the Steelcase Foundation, the Ballmer Group, the Frey Foundation, and others.

EARLY CHILDHOOD EDUCATION (ECE) PROGRAMS

For this report, exclusive focus was applied to ECE from birth to preschool in Kent County. This includes:

Child Care
Child care, including child care subsidies (known as Child Development and Care [CDC] scholarships in Michigan)

GSRP
The Great Start Readiness Program (GSRP), which is the state's publicly funded preschool for four-year-olds

Developmental Kindergarten
Developmental Kindergarten is the state's kindergarten option for children not yet old enough or ready for kindergarten

Head Start
Head Start and Early Head Start

KEY DEFINITIONS:

- **FUNDING SOURCE** refers to dollars that can be appropriated, awarded, or otherwise used for ECE programs and purposes. For example, the Child Care and Development Fund (CCDF) is a federal funding source.
- A **LINE ITEM** refers to a specified use of a particular funding source. For example, the School Aid Fund (a state funding source) provides funding for the MI Future Educator Fellowship (a line item).
- **ECE PROGRAM** refers to the four primary ECE services provided in Kent County: child care, GSRP, Developmental Kindergarten, and Head Start.
- **ECE PURPOSE** refers to one of the four ways funding for ECE programs can be used: capital investment, workforce supports, program quality and sustainability, and affordability and services.

ECE PURPOSE

ECE "purpose" refers to one of the four ways funding for ECE programs can be used:

1. Capital Investments
Capital investment, such as grants and loans for facilities and property improvements

2. Workforce Supports
Workforce supports, such as professional development, recruitment, and retention

3. Program Quality & Sustainability
Program quality and sustainability, such as connecting families to services, coordination and collaboration among stakeholders, quality improvement, and small business supports

4. Affordability and Services
Affordability and services, such as child care subsidies/ scholarships, free preschool, and school meals

STATE AGENCIES INVOLVED IN ECE IN MICHIGAN

There are several state agencies involved in ECE in Michigan:

Michigan's Department of Lifelong Education, Advancement, and Potential (MiLEAP) was established in December 2023 with the goal of "improving outcomes from preschool through postsecondary so anyone can 'make it in Michigan' with a solid education and path to a good-paying job."[8] Programs once housed under the Michigan Department of Licensing and Regulatory Affairs (LARA), Labor and Economic Opportunity (LEO), Education (MDE), and Treasury were transferred to MiLEAP. MiLEAP houses four offices: Early Education, Higher Education, Education Partnerships, and Strategic Talent Preparation.[9]

- **THE OFFICE OF EARLY EDUCATION** includes the Office of Great Start, which oversees the CDC Scholarship Program (e.g., child care subsidies), GSRP (publicly funded preschool for 4-year-olds), and the Head Start State Collaboration Office. The Office of Great Start was previously housed in MDE. Tri-Share (a child care cost share between employers, employees, and the state) was previously housed within LEO and was moved to MiLEAP. In addition, the Child Care Licensing Bureau (CCLB) within MiLEAP is responsible for the licensing of child care providers (previously, licensing was done by LARA).

- **THE OFFICE OF HIGHER EDUCATION** houses scholarship administration (previously, student aid was handled by the Michigan Department of Treasury) and the Sixty by 30 initiative (an initiative to ensure 60% of working-age adults have a skill certificate or college degree by 2030; previously housed under LEO). This office administers financial supports like the Michigan Achievement Scholarship, the MI Future Educator Programs, and Michigan Reconnect.

- **THE OFFICE OF EDUCATION PARTNERSHIPS** coordinates the Governor's Educator Advisory Council and the Michigan PreK-12 Literacy Commission, supports family engagement, and oversees out-of-school time and summer learning programs. These efforts were previously housed under MDE.

- **THE OFFICE OF STRATEGIC TALENT PREPARATION** works to "identify unmet needs and gaps in services and spearhead outreach to hard-to-reach populations."[10]

MDE oversees and supports education, including Developmental Kindergarten (also referred to as Transitional Kindergarten or "Young Fives") and the Child and Adult Care Food Program (CACFP).[11,12]

Michigan Department of Health and Human Services (MDHHS) is responsible for determining whether families are eligible for ECE tuition assistance and for administering those payments.[13]

WHAT FUNDING SOURCES ARE AVAILABLE FOR ECE?

Table B1 in the appendix shows all of the funding sources available to Kent County for ECE. The funding sources are grouped by the level of government from which the source originates (e.g., federal, state, or local) and secondarily by each source in order by size. The fiscal map dataset provides details about each source, including a summary of what each source can be used for, how much the state and/or county has been allocated or has spent in the past, and what entities are eligible for the funding.

Based on our analyses, the sources expected to be the largest contributors to ECE funding for Kent County going forward are:

* **SCHOOL AID FUND**, a state-level source that is primarily for K-12 education, but also funds the GSRP and a variety of professional development supports for educators.
* **OFFICE OF HEAD START**, a federal source that funds Head Start and Early Head Start (HS/EHS).
* **CHILD CARE AND DEVELOPMENT FUND (CCDF)**, a federal source that supports Child Development and Care (CDC) scholarships and a variety of child care quality initiatives.
* **GENERAL FUND/GENERAL PURPOSE**, a state source that supports CDC scholarships, the Tri-Share program, professional development for educators, and state administrative activities like child care licensing.
* **NATIONAL SCHOOL LUNCH PROGRAM**, a federal source that provides free or reduced-price meals for students in school (including those in GSRP).

Importantly, these are the same top sources that were identified in 2024, suggesting that the overall fiscal landscape has not changed dramatically in Kent County in the past two years.



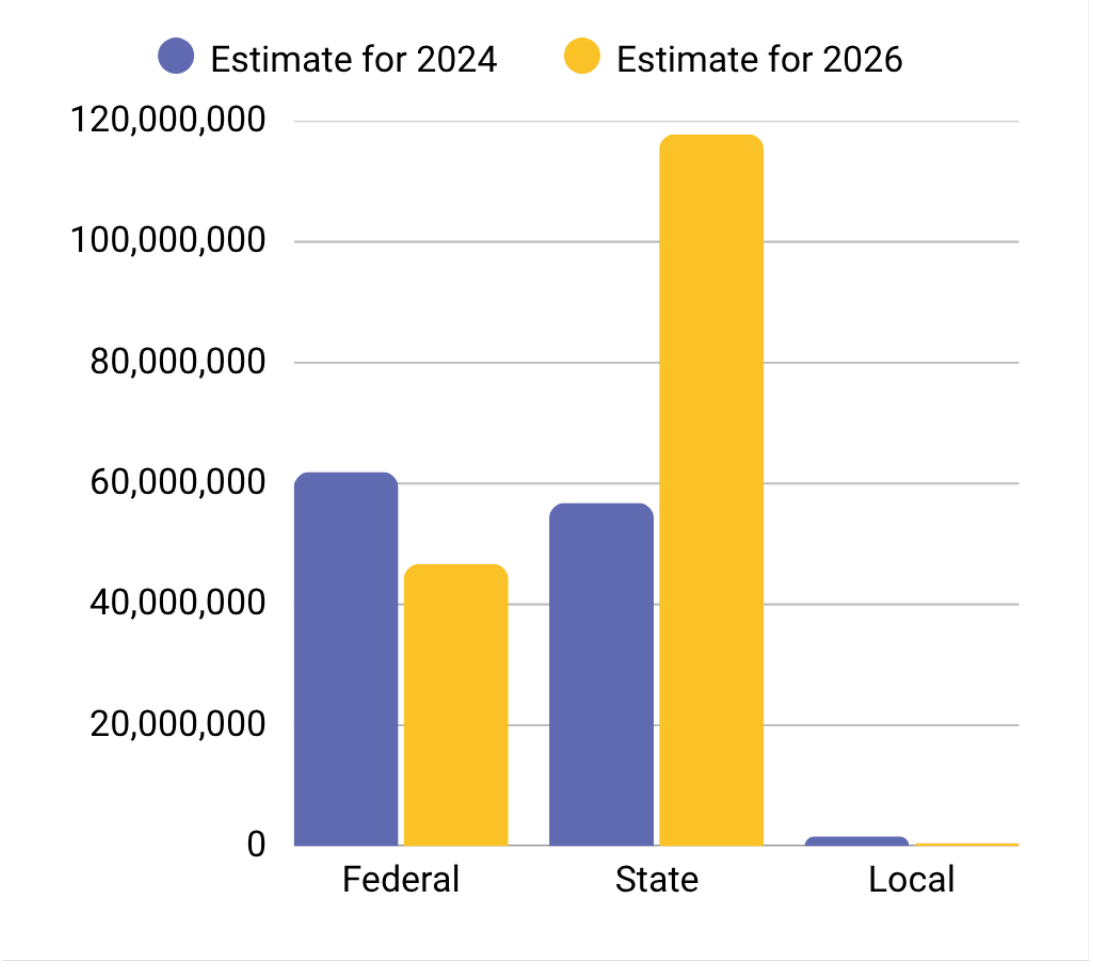
2024 VS. 2026

The $165 million in annual funding we project for Kent County is higher than the projections of $120 million offered in 2024. The primary drivers of this increase were increases in School Aid Fund funding for GSRP, increased GF/GP funding for CDC scholarships (e.g., child care subsidies), and the inclusion of additional funding sources and line items not previously captured.

The higher 2026 estimate primarily reflects increases in state investments and improvements to the fiscal mapping methodology, rather than a fundamental change in the funding system.

Together, these core funding streams continue to account for the majority of early childhood investment in Kent County.

FIGURE 1: FUNDING SOURCES AND ANNUAL AMOUNTS EXPECTED TO BE AVAILABLE TO KENT COUNTY

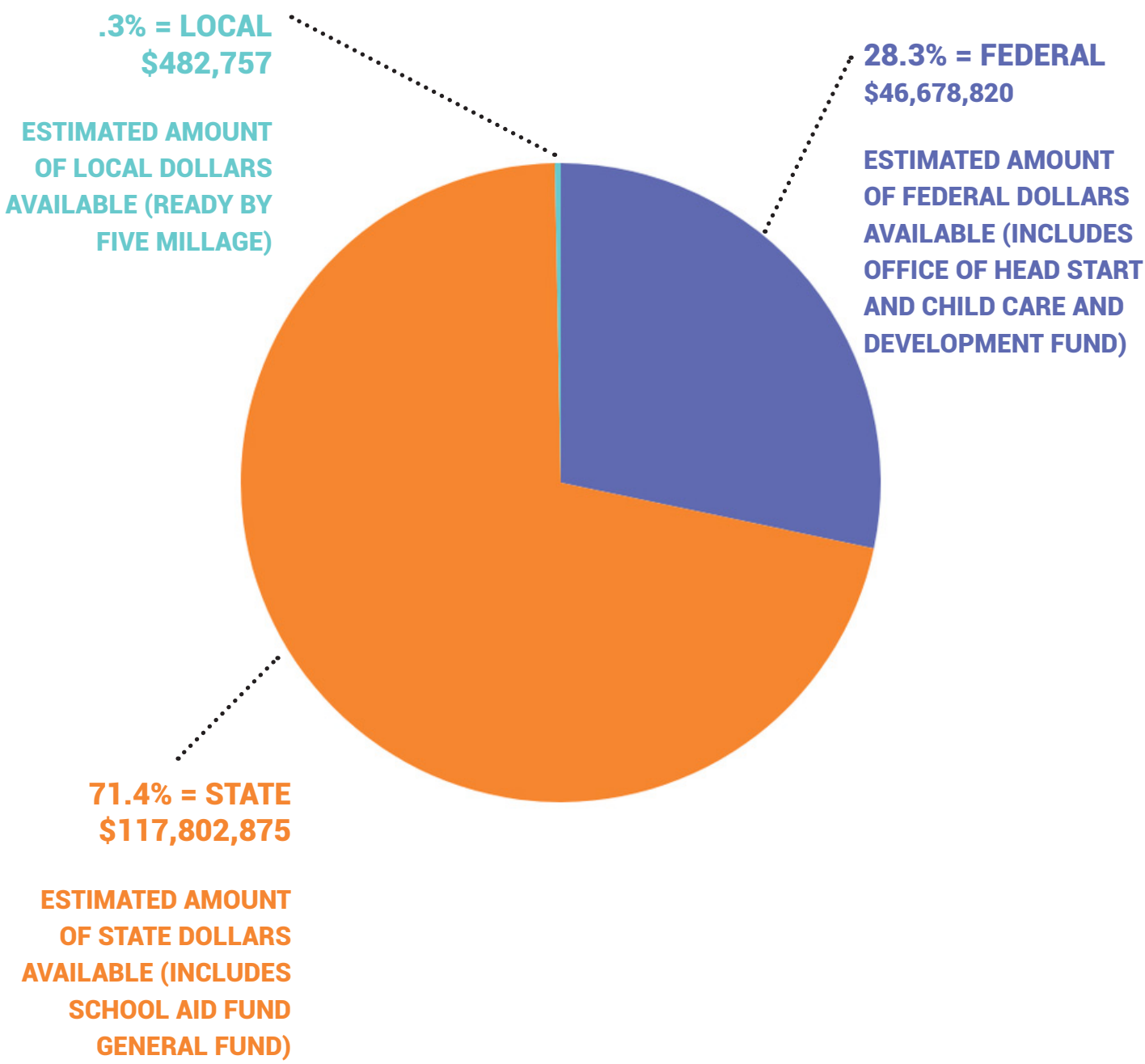


Note: See fiscal map dataset for details about how estimates were calculated.

LEVERAGING LOCAL DOLLARS

Across all funding sources, we project approximately $165 million of annual funding to be available to Kent County for ECE in the immediate future. As a point of comparison, in state fiscal year (SFY) 2025, expenses for Kent ISD, including GSRP exceeded $400 million in expenses,[14] and the state's total spending in SFY 2025 was $87.1 billion.[15] Local dollars, shown below, while not at that scale, are leveraging community capacity around the importance of early care and education beginning at birth.

Philanthropic dollars are not included in the chart below because funding from foundations can significantly vary year to year. However, over the past seven years, foundations have provided approximately $5 million per year to Kent County for ECE.



VISUALIZING THE RESOURCES: THE 2026 FISCAL MAP

On the following pages is a visualization of the major funding sources, programs they support, and the purposes the funds are used for. This figure is based on our assumptions about the annual funding reasonably available to Kent County. There are three components of this figure:

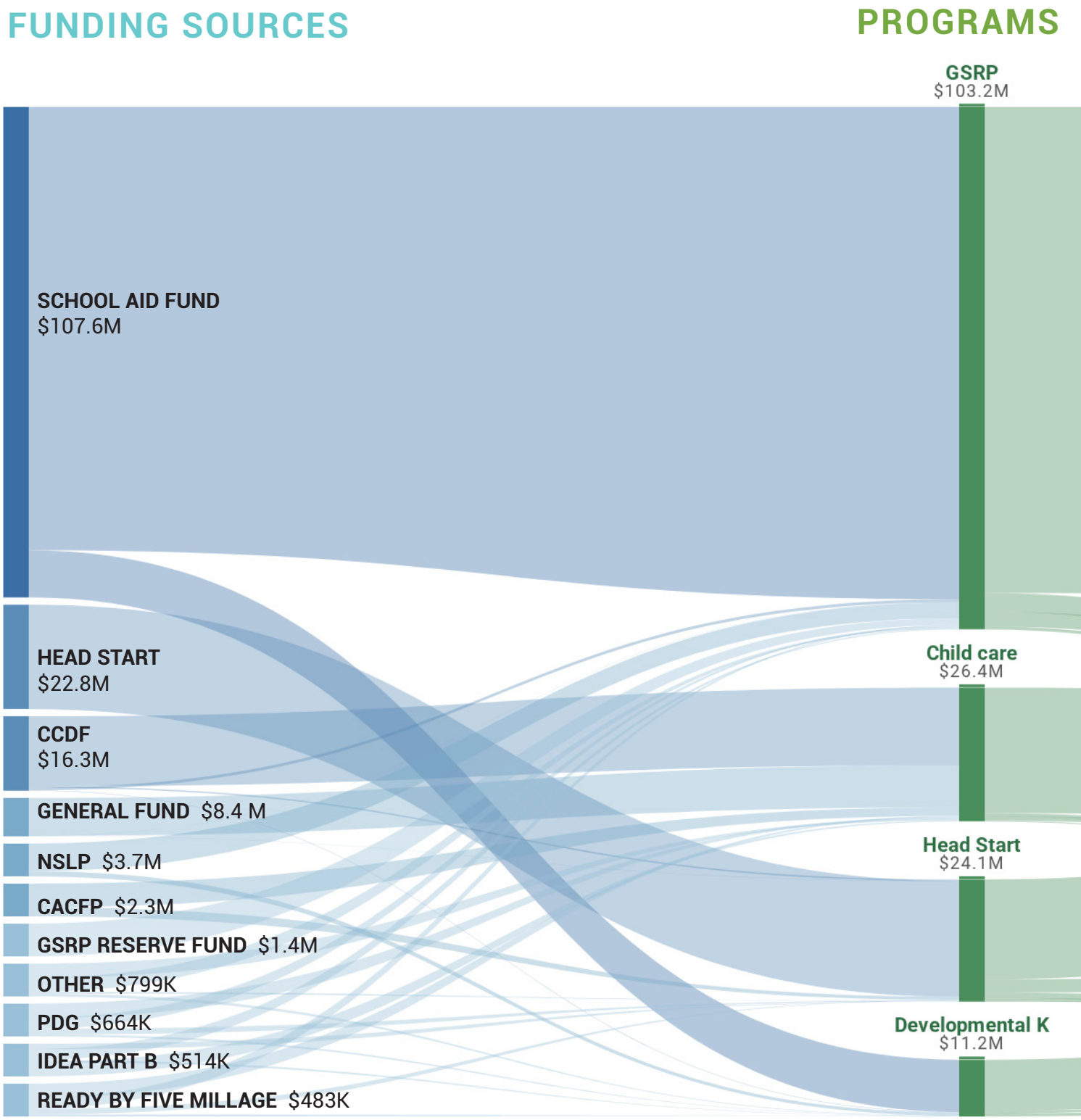
- **FUNDING SOURCES:** On the left side of the figure, in blue, we present each of the major funding sources available to Kent County (e.g., CACFP, CCDF). The size of each blue box corresponds to the relative size of each funding source. As you can see, the School Aid Fund is the largest funding source available to Kent County for ECE purposes.

- **ECE PROGRAMS**: From each of the blue funding source boxes there are lines showing how much of each funding source is estimated to be available for each of the four main ECE programs: child care, GSRP, Developmental Kindergarten, and Head Start. For example, the CACFP funding supports child care and Head Start, with most of the funding being used for child care. The size of each green program box corresponds to the amount of funding that the program is expected to receive across all funding sources. It shows that the ECE program with the most public funding in Kent County is GSRP.

- **ECE PURPOSES:** Finally, from each of the green program boxes there are lines showing how much funding for each program is estimated to be available for each of the four purposes: capital investment, workforce supports, program quality and sustainability, and affordability and services. On the right side of the map, the orange boxes show the majority of funding for child care is for affordability and services, and much smaller amounts are for the other purposes.

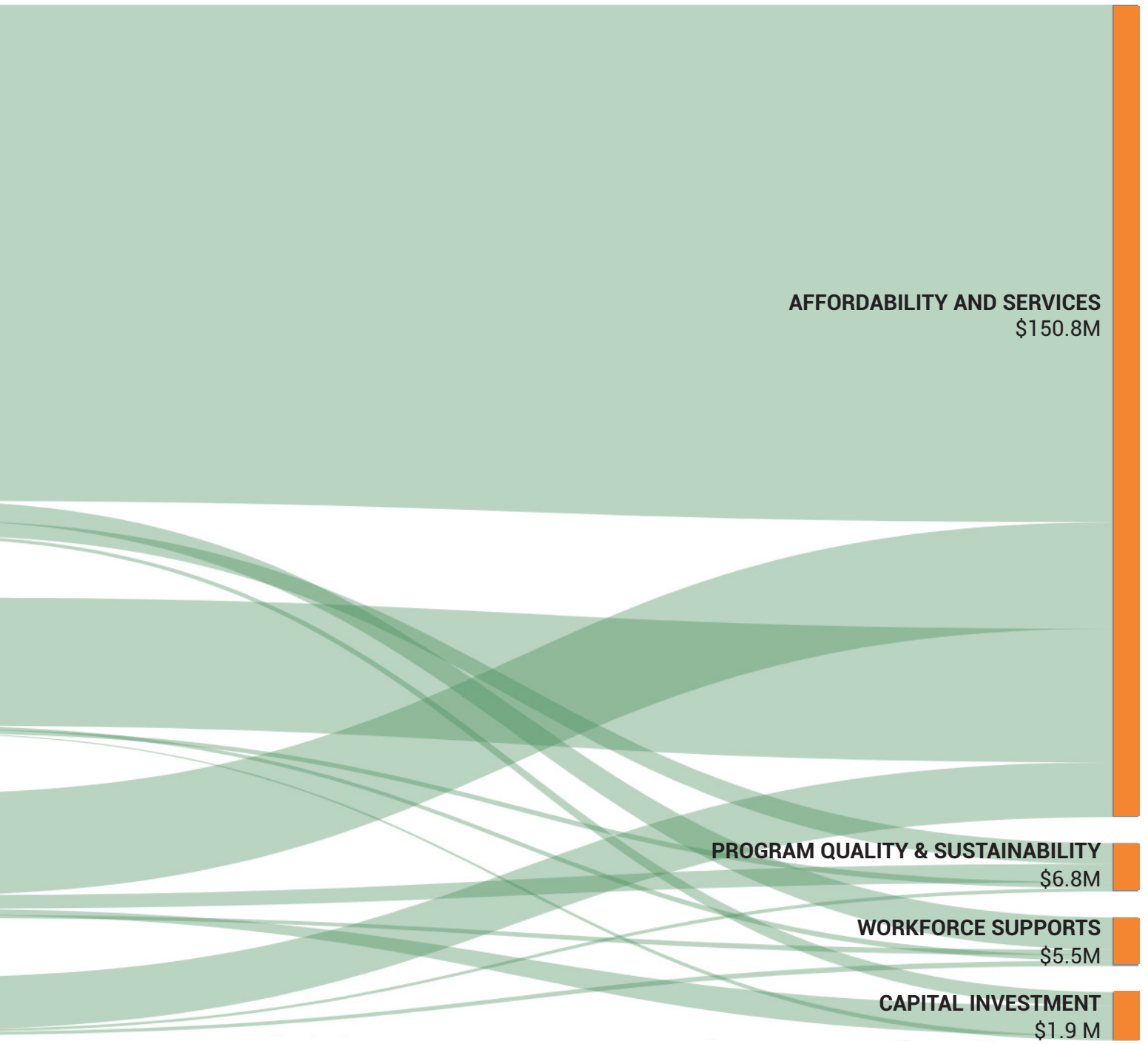
An interactive version of this figure is available online. The online version allows you to highlight pathways you are most interested in and see the estimated dollar amounts associated with each pathway.

4. THE 2026 FISCAL MAP



Source: Kristina Rosinsky & Maggie Haas, Child Trends

PURPOSES



s (April 2026). Template adapted from flerlagetwins.com.



HOW TO ACCESS THE FISCAL MAP

See how early childhood funding flows from federal, state, and local sources to programs serving young children and families in Kent County.

How to use it: Hover over any funding stream to highlight its path and view funding amounts.

View the interactive 2026 fiscal map.

HOW MUCH FUNDING IS USED FOR EACH ECE PROGRAM?

In addition to estimating the total amount of funding for ECE in Kent County, we also estimated annual funding for each of the four ECE programs available to children and families. Based on our assumptions, most ECE funding is being directed to GSRP ($103 million), followed by child care ($26 million), Head Start ($24 million), and Developmental Kindergarten ($11 million). See Table 2.

TABLE 2. ESTIMATED AMOUNT OF ANNUAL ECE FUNDING AVAILABLE TO KENT COUNTY, BY PROGRAM

PROGRAM	AMOUNT	2026 PERCENT OF TOTAL
GSRP	$103,215,536	63%
Child care	$26,427,030	16%
Head Start	$24,123,418	15%
Developmental Kindergarten	$11,198,466	7%
TOTAL	**$164,964,450**	**100%**

Note: See fiscal map dataset for details about how estimates were calculated.

HOW MUCH FUNDING IS USED FOR EACH ECE PURPOSE?

Annual funding was estimated for each of the four ECE purposes of interest to Kent County: capital investment, workforce supports, program quality and sustainability, and affordability and services. The majority of ECE funding is used to support affordability and provide services, such as CDC scholarships (e.g., child care subsidies) or Head Start slots. This is not surprising given the cost of providing high-quality ECE. Smaller amounts are used for the other supports, as shown in Table 3.

TABLE 3. ESTIMATED AMOUNT OF ANNUAL ECE BY PURPOSE

TOPIC AREAS	AMOUNT	PERCENT OF TOTAL
CAPITAL INVESTMENT, such as: • GSRP start up grants • Grants/loans for business startup, improvements, and expansion	$1,899,358	1%
WORKFORCE SUPPORTS, such as: • MI Future Educator Fellowship & Student Teacher Stipend • Michigan Achievement Scholarship • Michigan Reconnect • T.E.A.C.H. Early Childhood Scholarship • Apprenticeships	$5,547,497	3%
PROGRAM QUALITY & SUSTAINABILITY, such as: • Great Start to Quality • Family Child Care Networks • Regional Child Care Coalitions	$6,753,584	4%
AFFORDABILITY & SERVICES, such as: • CDC scholarships • GSRP • Developmental Kindergarten • Head Start and Early Head Start • Tri-Share • Special education preschool • School meals	$150,764,011	91%
TOTAL	**$164,964,450**	**100%**

Note: See fiscal map dataset for details about how estimates were calculated.



WHICH BUDGET LINE ITEMS HAVE LOST FUNDING OR ARE AT RISK?

We have identified several line items that were previously funded and no longer receive funding, or are at risk of losing future funding. See Table 4, on the next pages. Several of these line items were supported by pandemic relief dollars, such as the American Rescue Plan Act (ARPA). Others are line items that were appropriated one-time funds in recent budgets, which may not be renewed in coming years. See the fiscal map dataset for details about each line item. It is possible that some of these line items were not sustained because they are no longer needed. However, it may be helpful to consider whether these discontinued funds produced gaps.

TABLE 4. LINE ITEMS THAT HAVE LOST FUNDING OR ARE AT-RISK OF LOSING FUTURE FUNDING

LINE ITEM	DESCRIPTION
BLACK MALE EDUCATOR ALLIANCE	Support the educational experiences of Black male educators and students
CARING FOR MI FUTURE INITIATIVES: • Facilities Improvement Fund • Rural Child Care Innovation Program • Child care start up and prelicensure grants	Capital improvements for child care facilities, increase the supply of child care in rural communities, support new child care facilities
CDC TUITION CREDITS	Make child care more affordable for families
CHILD CARE STABILIZATION GRANTS	Financial relief to child care providers
EARLY CHILDHOOD BLOCK GRANTS	Support Great Start Collaboratives and Great Start Parent Coalitions
EARLY CHILDHOOD REGISTERED APPRENTICESHIPS	Scale up ECE registered apprenticeships
EARLY LITERACY ADDITIONAL INSTRUCTION TIME GRANT	Additional instruction time for students needing more literacy support
EARLY LITERACY HUBS/MIFAMILY ENGAGEMENT REGIONAL CENTERS	Enhancing family engagement and literacy
EARLY LITERACY INSTRUCTION PRACTICES	Support professional development and the use of best practices for literacy instruction
LOCAL PRODUCE IN SCHOOL MEALS	Encourage purchase of local food for school meals
MICHIGAN EDUCATOR WORKFORCE INITIATIVE	Enhance educator recruitment, retention, and professional development
MICHIGAN RECONNECT (EXPANSION TO AGE 21)	Higher education scholarship for older students; expansion permitted support for students age 21-24
MI EDUCATION CORPS	Reading and math tutors
READY ROSIE	Online early childhood learning platform
STATE APPRENTICESHIP EXPANSION GRANTS	Apprenticeships
STUDENT LOAN REPAYMENT PROGRAM	Helping pay off student loans
WONDERSCHOOL RECRUITMENT/COACHING	Increase supply of child care through recruitment, coaching, and mentoring

Note: See fiscal map dataset for details about how estimates were calculated.

FUNDING SOURCE(S)	STATUS
School Aid Fund	One-time funding for FY 2025
CCDF, via ARPA increases	ARPA funding expired While there are start up funds for GSRP and Head Start programs, there are no longer start up funds for child care programs
Coronavirus Relief Fund	CARES funding expired
GF/GP CCDF, via ARPA increases	ARPA funding expired, one-time GF/GP funding ended in FY 2025
School Aid Fund	Not funded in SFY 2026 budget
CCDF, via ARPA increases Department of Labor Community Project	ARPA funding expired; Department of Labor grant ends in 2026
School Aid Fund	Not funded in SFY 2026 budget
School Aid Fund	Funding expires in SFY 2027
School Aid Fund	Not funded in SFY 2026 budget
School Aid Fund	Not funded in SFY 2026 budget
School Aid Fund	Not funded in SFY 2026 budget
Coronavirus State and Local Fiscal Recovery Funds	Funding has expired
GF/GP, School Aid Fund	Not funded in SFY 2026 budget
GF/GP	One-time funding for SFY 2024
Coronavirus State and Local Fiscal Recovery Funds	Funds must be spent by the end of 2026
School Aid Fund	Not funded in SFY 2026 budget, funds reallocated to the Educator Compensation Program
GF/GP, CCDF, via ARPA increases	Not funded in SFY 2026 budget; ARPA funding has expired



WHICH BUDGET LINE ITEMS ARE UNDERSPENDING THEIR ALLOCATION?

Table 5 shows line items that have underspent their allocations in the latest year for which we have expenditure data.

TABLE 5. LINE ITEMS UNDERSPENDING ALLOCATIONS STATEWIDE, SFY 25

PROGRAM	FUNDING SOURCE(S)	STATEWIDE ALLOCATION	STATEWIDE EXPENDITURES
GREAT START READINESS PROGRAM	• School Aid Fund	$598 million	$483 million
MICHIGAN ACHIEVEMENT SCHOLARSHIPS AND TUITION INCENTIVE PROGRAM (scholarships for higher education)	• Postsecondary Scholarship Fund • GF/GP	$424 million	$400 million
MI FUTURE EDUCATOR FELLOWSHIP AND STIPEND (scholarships and stipends for students in educator preparation programs who agree to teach in a Michigan school, including preschool)	• Educator Fellowship Public Provider Fund • GF/GP • School Aid Fund	$75 million	$53 million

Note: See the fiscal map dataset for more details.

In our 2024 analysis, we noted a number of barriers to access of the GSRP start-up grants that resulted in underspending of their allocations. In SFY 2025, nearly 100 percent of allocated funds for start-up grants were spent. Therefore, the line item was removed from the list.



5. GUIDANCE

Understanding the structure of ECE funding by identifying the funding sources and amounts reasonably available to Kent County in the immediate future is the first step of a strategic public financing approach.[16] One next step is to build on the existing data to identify gaps and the true cost of meeting the needs within the county, and the final step is to identify the gap between the true cost and the resources that are currently available so the gap can be filled.

5.1 IDENTIFY COSTS

Fortunately, there is robust information already available from other resources to help identify the true cost of meeting the county's ECE related needs:

- "A Comprehensive Fiscal Analysis of the Prenatal to Five System in Michigan" by Prenatal to Five Fiscal Strategies[17] presents the estimated true cost of child care[18] in Michigan: $3.2 billion annually. Using that statewide amount, and given that Kent County represents 7.5 percent of the total state population of children 0-5 years,[19] we can roughly estimate the cost of child care for Kent County at approximately $240 million per year.

- The "Challenges and Opportunities: Mapping Kent County's Child Care Fiscal Resources" report published by First Steps Kent estimated the total cost of providing ECE to children age 0-5 in Kent County is $340 million.[20]

- The "Split by More than the Grand River" report by the Illinois Facilities Fund[21] details the ECE gaps that Kent County is facing.

- The "Today's Investment in Tomorrow"[22] report by First Steps Kent describes the early childhood landscape in Kent County and details the county's needs.

These sources suggest that the cost of meeting ECE needs in Kent County is likely between $240 - $340 million per year. This exceeds the amount we estimate is available to Kent County for ECE ($165 million per year). A county-level cost analysis would provide a more refined cost estimate so the county can ensure its strategies are sufficient to fill the existing gap between costs and available resources.

5.2 FILL THE GAP BETWEEN COSTS AND AVAILABLE RESOURCES

The following strategies may be helpful as Kent County seeks to address the gap between costs and available resources:

- **5.2a: MAXIMIZE FEDERAL REVENUE.** Some federal programs may not be fully utilized. For instance, as of 2022, there were 334 child care providers in Kent County that did not participate in CACFP, many of which operate in areas with high numbers of eligible children.[23] The CACFP reimburses child care providers for meals and snacks served to eligible children in their care. While it is a relatively small program, maximizing CACFP revenue can help child care providers reallocate funds they are using to provide food to other purposes (e.g., workforce supports).

  Another example is related to the use of TANF. States are permitted to transfer up to 30 percent of their federal TANF funds to CCDF to be used for child care. In addition, child care is an allowable use of TANF without needing to transfer it to CCDF. In recent years, Michigan has transferred a very small percentage of TANF funds to CCDF and has not used TANF dollars directly for ECE.[24] There are other similar funding sources that can be used for broad purposes, including ECE, such as the Community Development Block Grant (CDBG). There is an opportunity for the state to consider the current uses of these broad purpose funding sources and consider whether they can more significantly support ECE.

- **5.2b: ADDRESS REASONS FOR UNDERSPENDING.** As mentioned previously, there are some line items that are underspending their allocations. While it is unclear why underspending is occurring, it is possible that there is a lack of awareness about the availability of resources or there are recruitment and/or enrollment challenges that need to be addressed. Talking with leaders who oversee funding for each of these line items can help the county better understand the barriers that are preventing the full use of available resources.

- **5.2c: IDENTIFY AND RESOLVE INEFFICIENCIES.** Many organizations and government agencies conduct efficiency reviews to identify ways to stretch existing resources further. These reviews can thoughtfully and strategically identify areas of duplication and opportunities for streamlining processes without sacrificing the valuable services and supports government agencies provide. While each small inefficiency may not be significant on its own, resolving many small inefficiencies can easily add up to meaningful savings that can be reinvested into ECE. For example, an efficiency review conducted in Baltimore County, MD offered recommendations that produced an estimated $89 million to $146 million in annual savings for the county budget.[25]

- **5.2d: RAISE ADDITIONAL REVENUE.** If the gap between costs and available resources is large and the preceding strategies do not fill the gap, it may be necessary to consider raising additional revenues through taxes. The Ready by Five Early Childhood Millage in Kent County is an example of this strategy. Additional options include other types of taxes. For example, in Washington, DC there is a wealth tax that is used to increase wages for child care staff.[26]

6. CONCLUSION

ECE is funded via a complex array of federal, state, local, and philanthropic sources. Using recent funding data, we identified the funding sources and annual amounts reasonably available to Kent County for ECE. The insights that emerged from this work help the county identify the gap between how much funding is currently available and the true cost of meeting ECE needs, ultimately to help guide county leaders as they devise strategies to fill the gap.

This work was initiated to inform the efforts of the CCTF convened by the Kent County Board of Commissioners in 2024-2025. In 2026, the CCTF published their recommendations to, in part, help fill the funding gap to promote access to high quality ECE for Kent County's children and families.[27] As the county looks forward and begins implementation of the recommendations offered by the CCTF, we recommend the county:

- **CONDUCT A COST STUDY** that identifies the cost of meeting ECE needs in Kent County. The estimates presented in or derived from other resources ($240-$340 million per year) provide a helpful frame of reference but can be refined to provide a more precise target that can help county leaders assess whether strategies are sufficient to fill the existing gap.

- **UPDATE THE FISCAL MAP DATASET AT REGULAR INTERVALS** to measure progress toward obtaining the resources to meet the needs and identify the programs (e.g., child care) and purposes (e.g., capital investment) that need more support. See Appendix B for suggestions for updating the fiscal map dataset on an ongoing basis.

By implementing these recommendations, the county will have metrics to help guide their efforts to meet the ECE needs of Kent County's children and families.

APPENDIX A.

In 2026, Child Trends updated the fiscal map dataset through SFY 2026 using a process similar to the one employed in 2024. Drawing on publicly available reports, budgets, and program websites, Child Trends incorporated new funding sources and line items to ensure the most current data were reflected in the dataset.

TABLE A1. KEY DATA SOURCES

DATA SOURCE	HIGH-LEVEL DATA SOURCES TO EXPLORE
First Five Years Fund state factsheets https://www.ffyf.org/states/michigan/	Provides data regarding Michigan's early childhood programs and funding, including CCDF and Head Start.
Head Start for Kent County annual reports https://hs4kc.org/?s=annual+report	Provides Kent County-specific Head Start budget information.
Head Start annual factsheets https://headstart.gov/browse/series/head-start-program-annual-fact-sheets	Provides yearly snapshots of state-level key data, such as enrollment, funding, staffing, and demographics.
Michigan House Fiscal Agency website https://www.house.mi.gov/hfa/home.asp	Provides summaries of budget allocations across agencies, including MiLEAP and MDE.
Kent County website: Financial statements/adopted budgets https://www.kentcountymi.gov/238/Financial-Transparency	Provides access to Kent County's budgets, audits, and financial reports.
MiLEAP website: GSRP allocations https://www.michigan.gov/mileap/early-childhood-education/early-learners-and-care/gsrp/allocations	Provides detailed information about Michigan's annual GSRP allocations by ISD.
State Budget Office website: Detailed financial reports https://www.michigan.gov/budget/fiscal-pages/reports/schedules	Provides state-level expenditures for each FY at the line-item level.
State Budget Office website: Signed budget bills https://www.michigan.gov/budget/budget-documents/final-signed-budget-bills	Provides access to Michigan's officially enacted state budget bills.
The National Institute for Early Education Research (NIEER) State of Preschool Yearbook https://nieer.org/state-preschool-yearbook	Provides a comprehensive, state-by-state analysis of publicly funded preschool programs in the U.S.
U.S. Administration for Children and Families website: PDG B-5 state and territory map https://acf.gov/ecd/pdg-5-state-map	Provides state-level information on PDG B-5 funding.
U.S. Department of Housing and Urban Development website: Awards and allocations http://bit.ly/3T8q14E	Provides program-specific funding amounts for housing and community development initiatives.
U.S. Department of Labor website: State statutory formula funding - WIOA Adult Activities Program dollars table https://www.dol.gov/agencies/eta/budget/formula/state	Provides state-level allocation data for WIOA.

METHOD FOR ESTIMATING FUTURE FUNDING

The primary goal of this work was to use historical allocation and expenditure data to provide a reasonable estimate for how much money Kent County could expect from each funding source in the immediate future. To compute these estimates, we documented specific assumptions we made for each funding source in the fiscal map dataset.

In specifying assumptions, we first considered whether funding sources or particular line items were meant as one-time investments or ongoing investments. If the latter, we applied various assumptions to the most recent amount allocated to or expended by the county (or state, if county-level data were unavailable). Specifically, we considered the following ways the recent amount may need to be adjusted:

- **PROPORTION FOR ECE:** When a funding source or line item is not specific to ECE, we adjusted our estimates using assumptions about the proportion of the funding source/line item that is applicable to ECE. For instance, there are several scholarship programs available for individuals to pursue higher education, regardless of career path. For those line items, we adjusted total allocations so our estimates reflect the portion of those scholarship programs that are likely to support students pursuing a career in ECE.

- **PROPORTION FOR KENT COUNTY:** In many cases, only state-level allocation or expenditure data were available. In those cases, we used the proportion of the state population that lives in Kent County as a proxy for estimating the proportion of statewide funds that would be allocated to Kent County going forward.

- **FUNDING TREND:** We assumed that historical trends would continue unless there was reason to believe federal or state priorities have shifted. In several cases, we factored in shifts in federal or state priorities. At the state level, we accounted for the Governor's strong focus on early literacy supports, preschool, and universal free school meals during her recent State of the State address to inform assumptions about the trajectory of relevant funding sources and line items. At the federal level, we factored in recent federal appropriation shifts and policy debates about various ECE funding sources. See Table A3 for how we categorized the risk level of various federal funding sources and the funding trend assumptions we made based on that risk level. For example, for federal funding sources we deemed high risk, we assumed the funding to be available for Kent County in the near future would decrease by 75 percent. See the fiscal map dataset for details specific to each funding source and line item.

These processes produced an estimate for how much annual funding Kent County could reasonably expect to receive from each funding source for ECE in the near future. To understand these projections in greater detail, we also made assumptions about the following:

- **THE PROPORTION OF FUNDING THAT COULD SUPPORT EACH OF THE FOUR MAIN ECE PROGRAMS**: When a funding stream or line item could benefit multiple ECE programs, funds were allocated based on the relative size of each program. For instance, the Tuition



Incentive Program provides scholarships to students pursuing higher education regardless of the career they are pursuing. First, we adjusted total Tuition Incentive Program funding for the proportion that is reasonably available to the ECE workforce, in general. Then, since the Tuition Incentive Program can benefit the child care, GSRP, Developmental Kindergarten, and Head Start workforce, we proportionally allocated funding to the four ECE programs using the number of children served in each of the four programs to weigh our allocations.

- **THE PROPORTION OF EACH FUNDING SOURCE THAT SUPPORTS EACH OF THE FOUR ECE PURPOSES** (e.g., capital investment, workforce supports, program quality and sustainability, and affordability and services). We used our knowledge of the focus of each funding source or line item to make educated assumptions about reasonable allocations by purpose.

In the updated fiscal map dataset, columns were added to allow readers to easily adjust the assumptions for each funding source and line item as updated data are available and priorities shift. For example, if federal funding shifts in the future, one can easily adjust the fiscal map dataset assumptions accordingly.

More details about the specific assumptions we made for each funding source and line item are detailed in the "Rationale" column of each tab in the fiscal map dataset.



TABLE A2. RISK OF VARIOUS FEDERAL FUNDING SOURCES

RISK LEVEL	ASSUMPTION *used to estimate funding levels going forward*	FUNDING SOURCE
LOW RISK: Recent appropriations have been stable and there are no widespread proposals to cut the program, or appropriations have been growing despite some proposals to cut the program	Flat funding (0% change)	• Child and Adult Care Food Program (CACFP) • Child Care and Development Fund (CCDF) • National School Lunch Program • Head Start • Reducing Lead in Drinking Water Grant • Voluntary School and Child Care Lead Testing and Reduction Grant Program
MODERATE RISK: Recent appropriations have been stable despite widespread proposals to cut the program	50% funding reduction	• Child Care Access Means Parents in School (CCAMPIS) • Community Development Block Grant • HOME Investment Partnerships Program • Individuals with Disabilities Education Act (IDEA) Part B Preschool Grants • Preschool Development Grants • Workforce Innovation and Opportunity Act (WIOA) Adult Program
HIGH RISK: Recent appropriations have been reduced and there are widespread proposals to cut the program	75% funding reduction	• Choice Neighborhoods Grant Program

APPENDIX B. UPDATING THE FISCAL MAP DATASET

The fiscal map dataset is designed to be updated on a yearly basis to reflect the most current information on ECE funding in both Michigan and Kent County. Updates should be completed after new FY budgets and expenditure reports are available. We recommend establishing clear ownership of the dataset and integrate it into routine planning processes to help ensure its continued relevance and utility.

Before beginning the process of reviewing or updating the fiscal map dataset, users should review the Methods+User Guide tab, which provides an overview of the dataset's structure and guidance on generating assumptions. Every cell should be reviewed and revised, as needed. For example, when updating with FY 2027 data, it is important to also revisit prior FY allocations and expenditures, as new expenditure data may become available or previously reported figures may be revised.

WHEN UPDATING EACH FUNDING SOURCE OR LINE ITEM:

- **REFER TO THE CITATIONS** noted in cell comments to identify the most relevant sources of information. See Appendix A for a list of the key sources of information.

- **REVIEW EXISTING ASSUMPTIONS** and consider whether there is new information (e.g., shifting policy priorities) that should be reflected in the assumptions.

- **CAREFULLY DOCUMENT ANY NEW SOURCES** of information and any decisions made during the process. This is especially important to support continuity if the tool is maintained by new staff members in the future.

WHEN UTILIZING OR UPDATING THE FISCAL MAP DATASET, BE MINDFUL OF THE FOLLOWING CONSIDERATIONS:

- **THIS DATASET IS ORGANIZED BY SFY**. Michigan's SFY runs from October 1 to September 30. This aligns with the federal fiscal year (FFY). Different data sources present information for different time periods such as SFY, calendar year, and grant year. In updating the dataset for future FYs, it will be important to make efforts to align time periods to the extent possible, understanding that there may be instances when amounts entered for one SFY may be more appropriately shared among FYs.

- Often, detailed information about funding allocations and expenditures is limited, especially at the county level. Therefore, it is expected that there will be many "unknowns" in the fiscal map dataset. **WE RECOMMEND ONLY ENTERING ACTUAL ALLOCATIONS AND EXPENDITURES**, reserving estimates for the assumptions section.

There are additional funding sources and line items that can be added to the fiscal map dataset. Child Trends prioritized funding sources and line items most closely related to ECE, and in the 2026 update, we expanded to include some additional line items (like the largest broad-based higher education scholarships that could be used by the ECE workforce). Therefore, while the fiscal map dataset captures the majority of funding for ECE in Kent County, there are additional funding sources and line items that could be added in the future. For example, we did not include possible funding for ECE from Community Development Financial Institutions and Small Business Administration-backed loan programs.



TABLE B1. DATASET FOR TABLE 1

FUNDING SOURCES AND ANNUAL AMOUNTS EXPECTED TO BE AVAILABLE TO KENT COUNTY

FUNDING SOURCE	ESTIMATED ANNUAL AMOUNTS AVAILABLE TO KENT COUNTY	%
FEDERAL		
Office of Head Start	$22,849,036	13.85%
Child Care and Development Fund	$16,337,876	9.90%
National School Lunch Program	$3,663,454	2.22%
Child and Adult Care Food Program	$2,276,640	1.38%
Preschool Development Grant	$663,750	0.40%
Individuals with Disabilities Act Preschool Grants	$513,535	0.31%
Community Development Block Grant	$132,737	0.08%
Reducing Lead in Drinking Water Grant	$125,000	0.08%
HOME Investment Partnerships Program	$51,806	0.03%
Child Care Access Means Parents in School Program	$50,058	0.03%
Workforce Innovation and Opportunity Act Adult Program	$6,316	0.00%
Voluntary School and Child Care Lead Testing and Reduction Grant Program	$6,112	0.00%
Choice Neighborhoods Grant Program	$2,500	0.00%
STATE		
School Aid Fund	$107,602,831	65.23%
General Fund/General Purpose	$8,425,343	5.11%
Great Start Readiness Program Reserve Fund	$1,350,000	0.82%
School Meals Reserve Fund	$141,429	0.09%
Educator Fellowship Public Provider Fund	$138,600	0.08%
Postsecondary Scholarship Fund	$118,800	0.07%
State School Aid Pupil Reserve Fund	$23,100	0.01%
General Pupil Support Reserve Fund	$2,772	0.00%
LOCAL		
Ready by Five Early Childhood Millage	$482,757	0.29%
TOTAL	**$164,964,450**	**100%**

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4. UnitedForALICE, ALICE in Focus: Children (published 2024, based on 2022 ACS data) Full report + local maps: unitedforalice.org/focus-children
5. Head Start and Early Head Start are referred to collectively as "Head Start" in subsequent text.
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18. This report estimates the costs for child care, not for Head Start, GSRP, or Developmental Kindergarten. When estimating the true statewide costs of child care, the authors multiplied per child costs by the total number of children age 0-5 in working families at or below 200% of the federal poverty level. Given that some of these children are served in Head Start, GSRP, or Developmental Kindergarten, the statewide estimate for child care costs can be considered a reasonable estimate of statewide ECE costs more broadly.
19. Michigan League of Public Policy (n.d.). 2025 Kids Count in Michigan Data Book & Profiles. https://mlpp.org/kids-count/2025-data-profiles/
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