OPPORTUNITY

Think Babies™ Michigan is engaging in a collaborative fiscal analysis project that will take a comprehensive approach to addressing the broken finances of the prenatal to five system. The project will bring together a broad group of stakeholders to develop a shared fiscal vision and guiding principles for a reimagined prenatal to five system. The work includes developing a fiscal map detailing the current funding streams supporting prenatal to five programs and systems and building cost estimation tools to estimate true cost of high-quality programming. Ultimately, the project seeks to address:

- what funding currently supports prenatal to five services in Michigan;
- how these funds are being used and if they are being fully spent; and,
- what opportunities exist to better coordinate, streamline, and maximize existing funds.

The information gathered through the comprehensive fiscal analysis (CFA) process will be used to further the goals of Think Babies™ Michigan, build recommendations and action steps for systems change, and inform efforts across the state to make the case for increased investment in the early childhood system and related support infrastructure.

APPROACH

Led by Prenatal to Five Fiscal Strategies, and supported by the Pritzker Children's Initiative, the CFA is being conducted by a team of prenatal to five system, program, and financing experts with experience working in multiple states and communities. The approach of the team is guided by several foundational principles, specifically that the system:

- works for all children and ensures programming reaches and positively impacts children farthest from opportunity;
- is fair to programs and supports their developing capacity for quality implementation;
- uses public resources wisely and efficiently, augmenting private resources from families who can afford services;
- acknowledges embedded societal inequities and implements changes to remediate inequity;
- compensates the workforce at a level that allows for financial stability and acknowledges their significant impact on child development;
- supports the entirety of a child’s experiences before entering kindergarten, including prenatal supports for expectant mothers.

The CFA encompasses three key activities, as illustrated below. Each activity is paired with deep stakeholder engagement to ensure that the CFA is tailored to, and informed by, Michigan context.
As a result of this work, Michigan stakeholders, advocates and decision makers will be better able to support the prenatal to five system, equipped with analysis that can inform system changes aligned with the community’s shared vision and principles for supporting young children and their families.

STAKEHOLDER ENGAGEMENT

A strong fiscal analysis relies on a collaborative partnership between the CFA team and the professionals and stakeholders with years of experience working with young children and their families across Michigan. Program input and participation is critical to ensuring that the information on the experience of programs related to their revenues and expenses is accurate and reflective of experiences within Michigan communities.

A *stakeholder advisory group* will be engaged to inform development of the shared vision and guiding principles for the system. This shared vision will be the ‘north star’ for the prenatal to five system and will inform cost modeling to ensure policymakers understand the resources required to achieve this vision. For deeper exploration of specific programming within the boarder system, *ad-hoc committees* will be convened to focus on specific details of the child care and home visiting systems. These committees will provide input on assumptions and decision points impacting the fiscal analysis and cost estimation models.

Finally, the CFA will conduct *data collection* directly with early childhood providers and home visiting system components and programs. This data will be collected by the independent consultants, with individual data kept confidential and not shared beyond the consultants. Provider data will inform the cost estimation models which can be used to understand the expenses and revenues for different program types, and to estimate the cost per child or per family with variations for program type, location, and age of child served. The data collection effort is being conducted in partnership with cost study efforts underway by the Michigan Department of Education and Michigan Department of Health and Human Services to ensure minimum burden on providers.

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**PROJECT LEADERSHIP**

*Prenatal to Five Fiscal Strategies*

The project will be led by national early childhood finance experts Jeanna Capito and Simon Workman of Prenatal to Five Fiscal Strategies (P5FS) with additional support from Casey Amayun. P5FS seeks to address the broken fiscal and governance structures that exist within the prenatal to five system, with a comprehensive, cross-agency, cross-service approach. This work is founded in a set of shared principles that center the needs of children, families, providers, and the workforce and fundamentally re-thinks the current system to better tackle issues of equity of funding and access.

Jeanna and Simon have led similar projects in states and communities across the country, most recently in New Mexico. To learn more, please visit [www.prenatal5fiscal.org](http://www.prenatal5fiscal.org) or email [info@prenatal5fiscal.org](mailto:info@prenatal5fiscal.org)

*Think Babies™ Michigan*

Think Babies™ Michigan is a collaborative of over 1,800 leaders, experts, families, organizations, and providers, working together to improve the lives of babies prenatal to three years and therefore the well-being of the entire state. The initiative is co-chaired by Hope Starts Here, Michigan Council for Maternal and Child Health, Michigan League for Public Policy, Michigan’s Children and parent leaders. The Early Childhood Investment Corporation (ECIC) serves as the project lead for this statewide initiative and is guiding the work of the comprehensive fiscal analysis.

To learn more, or for questions about the fiscal project please contact Alicia Guevara Warren at [agwarren@ecic4kids.org](mailto:agwarren@ecic4kids.org)