



Michigan's Investments in Early Childhood

A Summary of Fiscal Year 2026



October 2025

Michigan's Investments in Early Childhood: A Summary of Fiscal Year 2026

The first few years of a child's life are not a practice run – they're the main event. In fact, the brain grows in both capacity and size every second during the early years, constantly laying the foundation for future learning, health, and overall well-being. While positive experiences and stimulation strengthen development of essential neural connections, stress and adversity provoke vicious stress cycles that become the brain's foundation for a lifetime. It shouldn't be surprising, then, that money spent on the early years sees a substantial return – at least \$4-9 for every \$1 spent – making early childhood a logical and sensible investment.¹

Fiscal Year 2026 (FY26) runs from October 1, 2025, through September 30, 2026, and just like the budget you create for your own home, Michigan's State budget is a reflection of its priorities. Learn about the programs that serve our state's growing children and their families and find out how they fared in the FY26 budget below.

CHILD CARE

Child Development & Care (CDC) Scholarship program offers scholarships for child care to qualifying low-income families, lessening the financial burden of child care. In 2025, the program has been serving nearly 50,000 children aged 0-5 across the state.² Nevertheless, scholarship reimbursement rates paid to providers have consistently fallen short of the true cost of providing care, making it impossible for business owners to pay their early care and education professionals a living wage. Increasing scholarship reimbursement rates, providing prospective CDC payments, and establishing child care contracts can provide financial stability for child care businesses and ensure working families have access to reliable, high-quality child care.

While advocates pushed to increase child care scholarship rates and for funding to begin implementing contracts to better support families and child care businesses, Michigan's FY26 budget ultimately did not include any funding to do either. A new \$3.5 million one-time investment is included to initiate a shift in CDC scholarships from reimbursement to prospective payments.

Infant & Early Childhood Mental Health Consultation is a prevention-based intervention teaming mental health professionals with child care professionals and families to improve adults' ability to positively develop children's social, emotional, and behavioral health from birth through age five. This program served nearly 5,000 children under age five in FY25³ and has significantly reduced suspensions and expulsions from child care settings.

Michigan's FY26 budget reduces program funding in half, from \$3 million in FY25 to \$1.5 million.

MI Tri-Share is a workforce development program that splits the cost of child care equally between the State, the employer, and the employee. Serving over 800 families and 1,000 children statewide⁴, Tri-Share helps improve employee recruitment and retention by removing a substantial barrier to employment for parents of young children while making child care more affordable for working families.

Michigan's FY26 budget provides flat funding for TriShare in FY2026, held at \$3.4 million.

GREAT START COLLABORATIVES & FAMILY COALITIONS

Great Start Collaboratives (GSCs) are local early childhood systems building bodies working to ensure families with young children receive the services they need where they are – through local home visiting, parent education, connections to community resources, and supports that strengthen families from pregnancy through early childhood. The 54 local Collaboratives across Michigan are led by parents and caregivers, early childhood providers, school district leaders, health providers, faith leaders, local business leaders, and others invested in the early childhood system to ensure all children in their community can thrive.

Great Start Family Coalitions (GSFCs) work alongside GSCs as a partnership of local parents and caregivers to ensure family perspectives and voice are fully integrated into local system planning and decision-making, allowing families to engage in the design and coordination of early childhood programs that respond to each community's unique circumstances. This partnership ensures that families aren't just served by the system but are part of leading and shaping it.

After two decades of critical funding for Great Start Collaboratives and Family Coalitions, Michigan's FY26 budget completely eliminates funding and dismantles these important local systems building bodies.

PREK FOR ALL

Great Start Readiness Program (GSRP) is Michigan's state-funded pre-kindergarten/PreK program for four-year-olds. GSRP is free for families, and income eligibility for the program expanded in 2023 with the roll out of "PreK for All," an initiative to expand GSRP and ensure PreK access for all of Michigan's four-year-olds. While all families are now eligible for GSRP, lower and modest income families are given priority enrollment. In the 2024-25 school year, more than 47,500 four-year-olds were enrolled in a GSRP program.⁵

GSRP investments in Michigan's FY26 budget include the following:

- \$656.6 million has been allocated to GSRP, which includes:
 - Increase in per child allocation from \$10,185 to \$10,650

- Increased funding for extended GSRP option from \$12,222 to \$12,780
- Increased funding for part-day options from \$5,093 to \$5,325
- Increased funding for blended programs from \$6,111 to \$6,390
- Eliminates 400% income eligibility cap but maintains language to prioritize enrollment of low-income and higher-risk children.
- Maintains requirement for ISDs to contract at least 30 percent of their allocation to community-based providers.
- Includes licensed group homes in GSRP, allowing a new home-based GSRP pilot.
- Continues \$28 million for GSRP transportation costs.
- Includes \$10 million for GSRP classroom start up and expansion grants. Adds new language to include some facility costs like modular classroom units, facility permits, prelicensure inspection fees, etc.; and requires GSRP instructional staff to have completed or be completing professional learning in the science of reading to be eligible for start-up grants. Unspent start-up funds can be carried forward into FY27.
- Eliminates \$1.95 million for GSRP outreach and enrollment efforts.
- Continues funding for universal free breakfast and lunch for school-based PreK-12 students.

Strong Beginnings is a pilot PreK program for three-year-olds in Michigan, operated by Clinton County RESA. Like GSRP, Strong Beginnings is state-funded and free for families below 250 percent of federal poverty level. The program served nearly 400 children in 28 classrooms across Michigan in 2024.⁶ The program is modeled after the four-year-old GSRP program, with modifications, and is designed to give quality school experience prior to a four-year-old preschool experience.

Michigan's FY26 budget includes \$25 million over two years to expand the Strong Beginnings pilot.

EARLY ON

Early On® is Michigan's early intervention system for infants and toddlers, birth to age three, who have a disability, developmental delay(s), or are at risk for delay(s) due to certain health conditions. The program, which served over 13,000 children in 2023⁷, supports and partners with families to promote the development of their infants and toddlers in their natural environment. Early On is free for families, there are no income eligibility requirements, and anyone in a child's life can make a referral for child evaluation.

Michigan's FY26 budget includes flat funding for Early On at \$23.7 million.

MATERNAL & CHILD HEALTH

Medicaid is a joint federal and state program that provides free or low-cost health coverage for eligible individuals, families, and children – particularly those with low or modest incomes. The federal government has rules for Medicaid that all states

must follow, but each state runs its own program and makes its own decisions on program eligibility and benefits. In Michigan, Medicaid is a critical support for pregnant families and young children, with Medicaid covering 45% of births statewide and over 60% of births in rural areas.⁸ In 2024, 43% of all Michigan children aged 0-18 were enrolled in Medicaid.⁹

Michigan's FY26 budget does not include funding to study the expansion of continuous Medicaid coverage for children under age 6, though continuous coverage helps children receive more consistent access to well-child visits, timely vaccinations, and preventive screenings.

Efforts to require Michigan to begin prematurely implementing federal work requirements for Healthy Michigan Plan eligibility beginning January 2026 were thwarted.

Perinatal Quality Collaboratives (PCQs) are regional groups of diverse, multi-disciplinary teams working to improve maternal and infant health outcomes and the quality of health care for their community's birthing families and babies. Michigan has a total of 10 PCQ's that covers all 83 counties in Michigan.

Michigan's FY26 budget maintains \$5 million for PCQs.

CenteringPregnancy is an evidence-based group prenatal care program that brings pregnant families due around the same time out of the isolation of the exam room and into a comfortable group setting to support complete prenatal care. Offered at 42 health care facilities across Michigan and serving nearly 1,000 families in 2024¹⁰, its family-centered care approach has helped pregnant families support one another during their pregnancy and into early childhood.

Michigan's FY26 budget maintains funding for CenteringPregnancy programs at \$5 million.

Home Visiting programs connect trained professionals with pregnant families with young children to ensure birthing parents have a healthy pregnancy and parents have the support they need to help their children grow and develop in a safe and stimulating environment. Michigan offers eight evidence-based home visiting models – all of which are free and voluntary for families. In FY2023, over 19,500 families were served through nearly 150,000 home visits.¹¹ Home visiting programs are particularly important in rural communities to reduce isolation and to connect families with essential prenatal, postpartum, and child development supports.

Michigan's FY26 budget maintains \$2.75 million for rural home visiting programs.

ECONOMIC SECURITY

Rx Kids is a direct cash assistance program aimed at reducing the number of babies experiencing poverty by providing expectant mothers with \$1,500 during pregnancy and then \$500 a month for the baby's first 6-12 months. As of September 2025, the program enrolled over 3,600 families in seven communities across Michigan.¹² Rx

Kids has proven immediate and long-term positive impacts, including improved maternal and infant health, enhanced early childhood outcomes and increased access to health services.

Michigan's FY26 budget maintains \$20 million in TANF funding for Rx Kids and expands the program with an additional \$250 million in FY25 supplemental funds. Details on the \$250 million expansion have not yet been released.

¹ [The Center for High Impact Philanthropy, University of Pennsylvania, High Return on Investment \(ROI\)](#)

² [Michigan Department of Health & Human Services Green Book](#)

³ [Michigan's Children, Protect Infant and Early Childhood Mental Health Consultation](#)

⁴ [MiLEAP Expands MI Tri-Share Child Care Program to Support More Working Families, June 2025](#)

⁵ [Gov. Whitmer Announces Record PreK Enrollment, Saving Michigan Families \\$10,000 Per Year, March 2025](#)

⁶ [Michigan State University, Strong Beginnings State Evaluation 2023-2024 Annual Report](#)

⁷ [First Five Years Fund, Child Care & Early Learning in Michigan](#)

⁸ [Gov. Whitmer Releases Data on How Pregnant Women and Michiganders with Disabilities Will Be Impacted by Devastating Medicaid Cuts, May 2025](#)

⁹ [Michigan League for Public Policy, Protecting Medicaid for Michigan Kids](#)

¹⁰ [Via Centering Healthcare Institute](#)

¹¹ [Michigan.Gov 2023 Home Visiting Report](#)

¹² [Rx Kids Impact Dashboard](#)