



Public policy in the best interest of children

Date: February 12, 2016  
To: Michigan Department of Education – Office of Great Start (MDE-OGS)  
Child Development and Care (CDC)  
From: Matt Gillard, President & CEO  
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Re: Michigan's FFY 2016-2018 CCDF State Plan

Thank you for the opportunity to provide comments to Michigan's CCDF State Plan for FFY 2016-2018. Michigan's Children is the only statewide independent voice working to ensure that public policies are made in the best interest of children and youth from cradle to career and their families, with a focus on policy solutions that can improve equitable outcomes for children.

With the reauthorization of the Child Care and Development Block Grant in late 2014, the new regulations provide a unique opportunity for Michigan to take a close look at its child care system and how to ensure that it's structured to best meet the needs of our lowest-income children and families. In particular, there are a few points we would like to make as it relates to monitoring, access to stable quality care, and provider payment practices as well as specifics on social-emotional development, developmental screenings, and special populations.

**Monitoring:** The new CCDBG regulations require states to conduct pre-licensure and annual unannounced inspections of licensed CCDF providers as well as annual inspections of license-exempt CCDF providers. We strongly urge Michigan to waive license-exempt family members from annual inspections and to minimize undue burdens for non-family license-exempt providers. Michigan has historically had a strong reliance on family, friend, and neighbor (FFN) unlicensed child care providers; and we must ensure that we are doing everything we can to support them as vital components of Michigan's child care system. While the new federal regulations are understandable to improve the safety and quality of care, Michigan's unique reliance on FFN providers must not be ignored as we implement the new monitoring guidelines.

**Access to Stable Quality Care:** We appreciate the work MDE-OGS has done to establish 12-months of continuous eligibility in addition to increasing the exit eligibility threshold to 250% of the federal poverty level. These are important steps to improve continuity of care for Michigan children and families. However, understanding the high cost of quality child care and with Michigan continuing to be at the bottom of all states in terms of income eligibility requirements, we strongly encourage Michigan to shift eligibility requirements to allow families to begin accessing the subsidy when their incomes are at or below 200% of the federal poverty level. This will ensure that families struggling to make ends meet can see some relief from over-burdensome child care costs.

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**Provider Payment Practices:** The new CCDBG regulations require states to establish payment policies more aligned with private market payments that reflect generally-accepted payment practices of the private child care market. Michigan’s Children appreciates the state’s implementation of a tiered reimbursement system based on quality of care. However, Michigan’s subsidy rates continue to fall short of the true cost of high quality care, making it challenging for many families who rely on the CDC subsidy program to access high quality care for their children. Furthermore, the state’s attendance-based hourly reimbursement system continues to prove challenging for high quality child care providers to accept CDC subsidized children into their programs. The CCDBG regulations specify that states must provide justification as to why a part-time or full-time payment practice isn’t utilized when using an hourly system. Given that Michigan is just one of three remaining states that currently provides child care subsidy reimbursements on an attendance-based hourly rate, the state must move away from this structure to one that aligns with common practice based on either a part-time/full-time rate or payments by enrollment in weekly or monthly increments.

Further, we strongly encourage Michigan to look at contracts to build child care slots designated for special populations including infants and toddlers, children with disabilities, children who are homeless, children served by the foster care system, and children who receive care during non-traditional hours. Several years ago, Michigan piloted a contract system of child care that wrapped child care around Early Head Start, Head Start or the Great Start Readiness Program – a similar model to the federal Early Head Start - Child Care Partnerships. We strongly encourage this model be utilized across the state as partnering with those high quality programs will elevate the quality of child care for children with the most risk factors in their lives and provide parents with the full-day, full-year care they need to stay employed. Also, since many of these special populations are more likely to rely on unlicensed FFN care, Michigan must look at shifting CDC subsidy payment practices to provide a weekly rate for those providers rather than the current abysmal \$1.30 or \$1.85/hour.

**Social-Emotional Development:** We are glad to see the focus on improving social-emotional outcomes as part of CCDBG and appreciate Michigan’s efforts to create a suspension and expulsion policy in early childhood settings. Clearly young children should not be getting expelled from early childhood programs as behavioral challenges early in life are a clear sign that more interventions are needed for that child, family, and child care provider to address the root-cause of those issues for optimal social-emotional development. We are also glad to see the connection between the state plan and social-emotional consultants in Michigan’s Race to the Top – Early Learning Challenge, and encourage MDE-OGS to consider working with the Michigan Department of Health and Human Services to reinstate Michigan’s Child Care Enhancement Program that provided infant mental health consultation to child care providers and parents when children with behavioral challenges were identified in early care and education settings. This nationally recognized, evaluated program played a key role in supporting the social-emotional needs of young children that resulted in positive outcomes for child care providers, parents, and children.

**Developmental Screenings:** Michigan’s Children is glad to see CCDBG’s requirement for early care and education programs to provide information and access to developmental screenings. Many of Michigan’s high quality child care programs already do this and ensuring that all programs have tools for themselves and parents to monitor children’s development is essential. Given that *Early On* also sits within MDE-OGS, we strongly encourage participation by the state’s *Early On* coordinator in the developmental screenings implementation plan to ensure a close partnership between child care providers and *Early On*. Furthermore, we encourage MDE to increase investment in *Early On* beyond the federal Part C funding, as this program is woefully underfunded, leading to thousands of children who have been identified as developmentally delayed receiving inadequate early intervention services across the state. As child care providers become better trained on screening for developmental delays, this may lead to a higher number of referrals to *Early On*, which the system as currently funded will struggle to bare.

**Serving Homeless Families:** Michigan's Children is glad to see new CCDBG regulations that require procedures for the enrollment of homeless children, and we appreciate the step Michigan has taken to provide categorical eligibility for all homeless children regardless of other criteria. For families who are identified as homeless, we strongly encourage Michigan to continue to provide 12-months of continuous eligibility – regardless of an unemployment period of more than three months – as families work towards housing and employment stability. Also, given that homeless children are least likely to access continuous, high quality care, the state's implementation plan must work towards ensuring families can access that care – particularly for the youngest children. Thus, we strongly encourage MDE-OGS to work closely with the state and local McKinney-Vento Coordinators, local homeless shelters, families who have experienced homelessness, and others on best outreach strategies to ensure that families experiencing homelessness can access high quality care through the CDC program. Furthermore, we encourage the use of contracted child care slots to family shelters that provide on-site child care or work with partnering child care agencies to provide child care not only while families are in those shelters but also as they transition to stable housing to ensure continuity of care for their children. And finally, for families experiencing homelessness who opt for more flexible unlicensed FFN care, we encourage MDE-OGS to explore ways to stabilize that child care option by looking at options that minimize inspection requirements prior to beginning subsidy payments and shift payment practices to a weekly reimbursement.

**Serving Children in Foster Care:** Michigan's Children has heard many challenges that foster families have experienced with accessing CDC subsidy for children they foster. First, we often hear that families have to wait weeks to have their CDC subsidy approved before payments begin. Since children in foster care are categorically eligible for the subsidy, the typical 45 day eligibility determination should be eliminated for this population as the MI Department of Health and Human Services not only handles the state's foster care system but also determines eligibility for CDC. Streamlining the eligibility process to ensure that foster families can immediately access the CDC subsidy when a child is placed in their home is essential. Second, children served by the foster system come from a background of trauma that may bring with it significant mental health challenges. Michigan's categorical eligibility for the CDC program for children in foster care must extend up to age 18 without requiring further documentation, as new foster parents balance the demands of working and parenting a child who has experienced trauma. Finally, children in foster care experience a significant disruption when being removed from their home. If that child was previously in a stable, quality child care setting, all efforts should be made to ensure that foster families can continue to access that child care provider. This includes, as previously mentioned, looking at either utilizing a contract for that provider to maintain that child care slot or to shift FFN provider payments to a weekly rate.

Thank you for considering our recommendations. Michigan's Children stands ready to work with MDE-OGS, and to assist with needed legislative advocacy efforts, to ensure that Michigan families can access the high quality child care they need for their children to thrive while their parents get ahead in life.