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Ensuring Quality Care for All Children

Michigan's economy is surging – unemployment is 4% for the first time since 2000. However, labor force participation remains low, especially for young adults, Black and Hispanic parents, and parents in rural areas and high-poverty neighborhoods. Business leaders and workers alike cite access to child care among the state's greatest employment barriers. Parents are not alone at risk of falling behind in this boom: without access to quality child care during critical years for healthy development, children are entering kindergarten behind their peers, and staying behind without access to great programs outside of school.

Access to affordable, quality programs is limited. Child care can exceed the annual cost of rent, averaging \$9800, but only families with incomes below 140% of the Federal Poverty Line (FPL) are eligible for support affording child care in Michigan. Access for children of all ages is particularly difficult, especially for those who work outside of a 9-5 workday: about half of Michigan families live in a "child care desert" where affordable, licensed care is scarce. For families already eligible for support, Michigan's below-market child care subsidy rate makes it difficult for quality providers to serve subsidy-eligible children. And for families like foster parents, who under state law automatically qualify for child care subsidy and whose children may have experienced trauma and require the care of adults who understand mental health needs, access to providers who are prepared or have the supports to provide quality care is even scarcer. Michigan's Infant and Early Childhood Mental Health Consultant program has been proven to help child care providers provide quality care that supports infant mental health, but this program lacks the funding to expand far beyond its current pilot status.

With more federal funding available through the Child Care and Development Block Grant, Michigan's primary goal must be supporting access to quality care for the families who need it most. If our state wants to invest in talent, then investing to expand access to quality child care for our lowest-income working parents is one of the best decisions we can make.

Recommendations:

1. Increase the eligibility threshold for the CDC program to 250% FPL.
2. Increase reimbursement payments for child care providers to the 75th percentile of the current market rate
3. Invest in expanding the IECMHC program statewide, which would cost \$6.6 million
4. Invest in increased reimbursement rates for those who provide child care to children and parents in the foster care system