

May, 2022

Supporting Quality Child Care in the Michigan State Budget

Michigan's Children calls for state investment to strengthen child care system for families

The Michigan House and Senate have adopted their own initial budget plans for the 2022-23 Fiscal Year beginning on October 1. Legislators utilize these initial plans to distinguish their most unique priorities before negotiating between chambers and with the Governor, and they expect the final budget to look different from what they have put out right now. This means that advocates have an opportunity to draw sharp distinctions for policymakers regarding which proposals are strong, what could be stronger, and what critical needs are missing.

In a public opinion poll of nearly 800 likely voters statewide, respondents across diverse regions of Michigan agreed that [child care](#) is a priority for public investment. Michigan's child care system is still reeling from the pandemic and chronic underinvestment. Our state budget must commit to providing what is necessary to increase the availability of child care options for families.

Right Now:

- **Governor Whitmer along with the House and Senate have not proposed an increase to child care subsidy reimbursement rates, and maintained the [previous plan](#) that was set for reimbursement rates.**
- **All three did not include a funding increase for the Infant and Early Childhood Mental Health Consultation Program.**
- **The Governor's budget allows MDE to increase child care subsidy eligibility up to 200% of the federal poverty level (fpl). The House and Senate do not include this language and keep eligibility at 185% fpl.**

To strengthen the child care system, Michigan's Children supports:

1. **Increasing provider reimbursement rates by 45% above the rates in FY21.** This would bring Michigan closer to paying providers to reflect the true cost of care and equates to the [highest rate that Michigan paid to providers](#) using federal ARPA funds.
2. **Continue to pay child care providers** based on enrollment rather than attendance, waive family copays for the child care subsidy, and invest in infant-toddler contracts.
3. **Provide bonuses to child care teachers on an equal level with PreK-12 teachers.**
4. **\$4.5 million in additional funding to expand access to behavioral support for child care providers statewide** through the Infant and Early Childhood Mental Health Consultation program. This initiative currently reaches providers in only 18 counties.

Why Invest in Increasing Access to Child Care?

State investment into child care has declined precipitously over the last two decades, leaving limited access to affordable child care by encouraging an unsustainable child care business model where parents can't pay more and providers can't afford to properly compensate their workforce. Child care providers receive reimbursement for every child they serve who is enrolled in the Child Development and Care subsidy. Despite recent increases, these rates do not reflect the true cost that a provider incurs caring for a child, which makes it impossible for

child care providers to care for subsidy-eligible children while properly compensating teachers and paying other program costs.

[Child care teachers](#) are the workforce behind Michigan's workforce, providing enriching education and care to our youngest residents while enabling their parents to find family-sustaining employment and participate in the economy. However, child care teachers are underpaid, making an average of just \$12 an hour, and experience high levels of burnout from understaffing and behavioral challenges in the classroom.

[Infant and Early Childhood Mental Health Consultation \(IECMHC\)](#) is another crucial support for child care providers, children, and families. Mental health coaches associated with this program improve child care teachers' ability to attend to kids' [social, emotional, and behavioral needs](#), thus improving the quality of care and teaching kids foundational skills that they will need in school and beyond. The program has been found to reduce child care teacher burnout and turnover, suspension/expulsion of kids in care, and parent job disruption.