



Let's Raise Child Care Subsidy Rates! Helpful Talking Points:

Use these talking points to encourage your state Senator, state Representative, and Governor Whitmer to invest in child care. Give them a call, send an email, or schedule a meeting.

The state legislature and governor cut child care subsidy rates by 26% in September and child care providers across the state are now scrambling to determine if they can continue to operate with such a steep cut in revenue. Over 1,200 child care providers are projected to close in Michigan due to reduced subsidy rates, which would leave over 56,000 children without care. Learn how you can raise your voice and fight back below.

The federal government boosted child care subsidy rates throughout the pandemic which brought subsidy payments closer to the cost that child businesses actually incur providing high quality early education. But this federal funding ran out in September and state government failed to maintain higher rates with state funds, leading to the 26% cut. The state legislature is about to adjourn session for the year. They have the opportunity to begin planning strategies for increasing subsidy rates in either a supplemental bill early next year, to go into effect immediately, or in next year's state budget, which will begin Oct 1st, 2024.

STEP ONE:

**Provider Hourly Reimbursement Rates: pay period 122-208 (October 10, 2021 – April 9, 2022)
Temporary Rates based on the FY 2022 Budget**

Provider Type	Star Rating	Infant/ Toddler (Birth up to Age 2 ½)	Preschool (Age 2 ½ up to Age 5)	School Age (Age 5 and Over)
Child Care Center	Base Rate (Blank Star)	\$8.40	\$6.00	\$5.80
	1 Star	\$8.40	\$6.00	\$5.80
	2 Star	\$8.95	\$6.45	\$6.30
	3 Star	\$9.90	\$7.45	\$7.30
	4 Star	\$10.35	\$7.95	\$7.75
	5 Star	\$11.35	\$8.95	\$8.70
Group and Family Homes	Base Rate (Blank Star)	\$6.75	\$5.80	\$5.65
	1 Star	\$6.75	\$5.80	\$5.65
	2 Star	\$7.30	\$6.30	\$6.10
	3 Star	\$8.25	\$7.30	\$7.05
	4 Star	\$8.70	\$7.75	\$7.60
	5 Star	\$9.70	\$8.70	\$8.55
License Exempt Related and Unrelated	Base Rate (Level 1)	\$3.45	\$3.45	\$3.45
	Level 2	\$5.85	\$5.20	\$5.20

The Ask: Urge your state Senator, state Representative, and Governor Whitmer to increase child care subsidy rates to the highest they have been, which is reflected in this chart.

If asked about funding need: share that this would be a wise investment of \$130-160 million for Michigan's current and future prosperity.

Share with your elected officials how this change will personally impact you as a child care business owner, early childhood educator, parent, employer, etc. Remind them that the stability of Michigan's child care subsidy has reverberating impacts across our economy and education system.

Contact info: [state Senator search](#), [state Representative search](#), [contact Governor Whitmer](#)

If you'd like to take your advocacy a step further, send your state lawmakers [this link to the comprehensive child care cost study](#) and urge them to increase funding for the child care system in accordance with what this cost study prescribes.

How did subsidy rate increases during the pandemic affect child care wages? Child care providers have relied on the increased subsidy rates to increase wages for their child care educators, who make on average \$12 an hour in Michigan. Low pay for child care educators results in 53% of this workforce utilizing public assistance, and child care businesses have incredibly low profit margins, often just breaking even or forgoing paying themselves, so there is no wiggle room to increase wages without support from increased subsidy rates.

What's the impact on child care businesses in Michigan if we don't act?

The increased subsidy rates have kept child care businesses' doors open and allowed them to increase their teacher's wages and job retention. Subsidy rate reductions are going to wipe away this progress. A child care subsidy rate reduction will take away program's abilities to pay their teachers a higher wage and maintain stable, high-quality care for the young children in their programs. This rate reduction will force child care providers across the state to limit available slots, if not shut down completely, dramatically impacting the availability of child care for families in every community.

What's at risk for families and child care slots if we don't act? During the pandemic, 637 child care providers were unable to stay in business, affecting the ability of working parents to maintain employment. If the subsidy rate decrease takes effect, [The Century Foundation projects](#) that another 1,261 child care businesses will fold, leaving over 56,000 of Michigan's youngest without high quality early care and education.