

June, 2019

## Ensuring Quality Care for All Children – JUNE Update

Michigan's economy is surging, but, 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, and without access to quality child care during critical years for healthy development, children enter kindergarten behind their peers. But child care can exceed the annual cost of rent, averaging \$9800, and only families with incomes below 130% of the Federal Poverty Line (FPL) are eligible for support for child care in Michigan. Access is particularly difficult for those who work outside of a 9-5 workday and for families, including foster parents, whose children have experienced trauma or other mental health needs.

Michigan's below-market provider payment rates also make it difficult for quality providers to serve their children. If our state wants to invest in talent, then investing to expand access to quality care for our lowest-income working parents is one of the best decisions we can make. Michigan's Infant and Early Childhood Mental Health Consultant (IECMHC) program is proven to help child care providers offer quality care that supports infant mental health, but is only available in some counties. With \$63 million in new federal funding available, Michigan's primary goal must be supporting access to quality care for the families who need it most.

**Current Situation: The Governor, House, and Senate have finalized their budget recommendations in these areas. Both chambers will go to a Conference Committee to iron out differences. It is unclear how long into the summer negotiations between the Legislature and the Governor will last. Informing elected officials about how best to prioritize spending our tax dollars must be a year-round endeavor.**

### Recommendations:

1. **Urge all lawmakers to increase reimbursement payments for child care providers to the 75<sup>th</sup> percentile of the current market rate.** The Governor and Senate both recommended a \$16.4 million increase for reimbursement rates using federal funds, the House Appropriations Committee recommended no increase.
2. **Urge all lawmakers to increase the family income eligibility threshold for the CDC program to 250% FPL.** The Governor proposed increasing eligibility from 130% FPL to 140% FPL, but the Senate recommended no increase and the House included a placeholder for future negotiations.
3. The Governor, House and Senate have all set aside funding to improve child care quality that can be used for expanding IECMHC. **Support these investments and commitment to expand the IECMHC program statewide, which would cost \$6.6 million total.**