



## Michigan League for Public Policy

September 21, 2021

### MEMORANDUM

TO: Members of the House Committee on Families, Children, and Seniors

FROM: Gilda Z. Jacobs, President & CEO

SUBJECT: House Bills 5041-5048

The League is pleased with the bipartisan effort that resulted in this package of bills, and believes that they represent a significant step forward in supporting the state's child care providers, as well as building the supply of child care.

The League is particularly gratified to see authorization for family child care networks, as well as contracts to support infant/toddler child care. Family child care networks are an important tool for supporting home-based child care businesses as they struggle to juggle long hours of direct care for young children with the demands of running a small business.

In addition, enhanced contracts to build the supply of now-scarce infant/toddler care is a much-needed strategy to ensure that child care providers can afford to take care of the state's youngest children, who are more staff-intensive and most costly to care for. More than 4 of every 10 people in Michigan live in child care "deserts," or areas of the state where the ratio of children ages 0-5 to the number of licensed child care spots is greater than 3. Supply is even more limited for infants/toddlers, with 10 Michigan counties not having any licensed slots at child care centers for infants and toddlers.

The League does have serious reservations about HB 5041, a bill to allow some child care providers to have increased capacity, meaning one additional child for family child care homes (from 6 currently to 7 with one adult provider), and 2 additional children in group child care homes (raising the group from 12 to 14, with 2 adults). We appreciate the negotiations that placed some limits around the ability of home providers to take on additional children, but **we would like to see a sunset placed on HB 5041 so the impact of the ratio change could be reassessed.**

We completely understand that child care providers are under enormous stress, and some are having to close for financial reasons. This is the result of a financing system for child care that doesn't work: high-quality child care is very staff intensive, yet providers cannot charge families for the true cost of care in many communities, so wages are low.

At 150% of poverty, Michigan's income eligibility threshold for child care subsidies is low compared to other states, so few families can get help with their child care costs. And, subsidy payment rates fall below the 75<sup>th</sup> percentile of market rate (the federal standard), and well below the true cost of providing care. The result has been a 65% decline in the percent of children receiving a child care subsidy over the past two decades.

The League does not think that the answer to the financial dilemma that both child care providers and parents are facing is to move from best practices on ratios and group sizes. National best practices for child care are based on research that small groups/ratios increase opportunities for one-on-one interactions, help children learn and form caring relationships, and promote the health and safety of babies and toddlers. As a result, the National Fire Protection Association recommends that child care group sizes in home-based child care be no larger than 6, and national organizations like the American Academy of Pediatrics and the National Association for the Education of Young Children also recommend that group size in a family child care home not exceed 6 children.

The answer is to move toward a child care financing system that increases access for parents and improves the quality of care for children, while allowing child care teachers to earn a living wage. We also believe that this is not the right time to move from best practices on child care ratios, given the infusion of federal American Rescue Plan funds for child care, as well as growing bipartisan support for a larger long-term investment in child care as a vital component of economic growth, as well as a support to educational success.

Again, we are pleased to support this step forward for young children and their families, and stand ready to work with you as the bills move forward. For more information on child care in Michigan and in your county, check out our [county fact sheets](#).