

# EARLY CHILDHOOD CAPITOL DAY

***For all of these requests, it is important for lawmakers to understand the importance of passing a timely budget that keeps Michigan working.***

**To address the state's child care crisis, Michigan needs to significantly increase child care scholarship rates in the FY26 General Budget through the Child Development and Care program to reflect the true cost of providing high-quality and equitable care that adequately compensates the workforce.**

- Michigan loses \$2.8 billion a year from inadequate early care and education due to parents and caregivers leaving the workforce because of inaccessible child care.
- Child care facilities are closing due to high costs and the inability to recruit and pay employees a livable wage.
- Michigan child care providers earned an average salary of \$22,672 or about \$11/hour, falling below Michigan's minimum wage and rarely receiving benefits, despite many providers having experience and qualifications in the field. This results in them leaving the industry for better-paying jobs elsewhere.
- The state's early childhood education workforce shrank by 26.8% from 2001 to 2022, representing 29,000 fewer early educators across the state. This stands in stark contrast to the modest growth(0.3%) seen nationwide.
- Reimbursement rates that reflect the true cost of providing care stabilize existing child care programs to stay in business, supports paying early educators a livable wage, improves program quality for young children, and keeps more parents and caregivers engaged in the workforce, ultimately supporting Michigan's economy.

**At a minimum, meet Governor Whitmer's recommendation to invest \$50 million to implement prospective payments and contracts - including infant-toddler contracts - to address the state's infant-toddler care supply crisis and bring the state into compliance with the new federal Child Care and Development Fund requirements.**

- Michigan has successfully piloted the implementation of contracts and prospective payments achieving the retention of high-quality staff across the industry, reduced waitlists for families and providers, and stabilizing infant/toddler child care for scholarship-eligible families.
- Too many families experience long waiting lists for their babies to access child care. As we move towards universal PreK, Michigan must equally support infant/toddler care and be responsive to the current crisis.
- The average annual cost of center-based child care for an infant in 2023 was \$12,667, making child care cost equal to rent and mortgage payments for many families.



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**Increase funding for home visiting programs, including rural home visiting, and increased system supports across all models and programs. Home visiting helps families maintain healthy pregnancies and children, and supports parents in helping their children grow and develop in a safe and stimulating environment by providing in-home support and training.**

- Despite high need, funding for rural home visiting has not been increased in years, resulting in unmet needs for young children.
- Home visiting supports families in reaching their goals to return to school, secure housing, and develop new workforce skills.
- Fostering strong, lasting parent-child emotional connections are critical for young children to reach optimal childhood development milestones.

**The long-term goal for Michigan's *Early On*® program, which provides early intervention services for infants and toddlers who have disabilities and developmental delays, is to fund the true cost of a quality system and to address systemic challenges resulting in inequitable service access for families.**

- Increase funding to *Early On*® Michigan by \$24 million, which includes \$300,000 for a task force to examine the state's *Early On*® system.
- Appropriately identifying and serving children with *Early On*® will result in children being less likely to need services later, including as soon as in GSRP, saving the state money in the long run.
- The most recent funding increases have been insufficient and do not allow for additional services or staffing capacity, despite the significant increases in program referrals, evaluations, and service caseloads since the pandemic.
- In the U.S., the average per child state investment to provide early intervention services is \$7,289. Michigan allocates only \$879 per child.

**Sustain and grow funding to support the full continuum of perinatal care, which includes Medicaid and private insurance reimbursement of birth centers, midwifery care, and lactation support services.**

- Access to perinatal care and services improves birth outcomes, such as lowering the risk of preterm birth, reducing the incidence of low birth weight babies, and increasing breastfeeding rates.
- Investing in evidence-based models of care and services enhances access to culturally competent care that meets the unique needs of diverse populations and ensures that all families, regardless of income or background, have equal opportunities for healthy pregnancies and births.



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## **Supporting the Executive recommendation to study continuous Medicaid enrollment for children from birth to age 6.**

- Medicaid coverage for children leads to improved health outcomes, including better birth weights, lower disability rates, and reduced mortality.
- Continuous coverage promotes more efficient care, with reduced ER visits and better chronic condition management, while improving educational outcomes and financial stability.

## **Federal funds regularly make up more than 40 percent of our state budget and every aspect of Michigan's early childhood system is impacted by federal funding. As Congress debates potential cuts, it is important to remember how these expenses will shift to Michigan's General and School Aid Fund.**

- Every aspect of Michigan's early childhood system is directly impacted by federal funding. These dollars help to fund Michigan's child care scholarships, home visiting services, and other basic needs programs for families with young children.
- Cuts to Medicaid would be detrimental to Michigan, over one-third of births in the state were funded through the health care program.
- Federal cuts will make it harder for Michiganders in every county and legislative district, especially those already struggling to make ends meet, to see a doctor, put food on their table, and keep a roof over their head.
- Michigan is constitutionally-required to pass a balanced state budget each year, without current federal funding levels meeting this duty will be nearly unattainable.

