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House Bill 5044 (as passed by the House)
Sponsor: Representative Ranjeev Puri
House Committee: Families, Children, and Seniors
Senate Committee: Economic and Small Business Development

Date Completed: 5-26-22

CONTENT

The bill would enact a new law to require the Michigan Department of Education (MDE) to develop a contract model for infant and toddler child care providers that could be funded within the Federal Child Care and Development Block Grant requirements and that would have to be awarded to certain providers in all regions of the State.

Specifically, the MDE, in conjunction with an implementation team that included providers, partners, and parents of children in child care, would have to develop a contract model for infant and toddler child care providers that could be funded within the Federal Child Care and Development Block Grant requirements (see **BACKGROUND**). Contracts would have to be awarded to providers in all regions of the State and to high-quality providers located in communities where demand for infant and toddler child care exceeded supply as determined by the MDE.

"Provider" would mean a child care center, group child care home, or family child care home licensed under the child care licensing Act. "Region" would mean one of at least four areas of the State as determined by the MDE to provide technical assistance to child care providers.

(The Act defines "child care center" as a facility, other than a private residence, receiving one or more children under 13 years of age for care for periods of less than 24 hours a day, where the parents or guardians are not immediately available to the child. "Family child care home" means a private home in which one but fewer than seven minor children are received for care and supervision for compensation for periods of less than 24 hours a day, attended by a parent or legal guardian, except children related to the adult member of the household by blood, marriage, or adoption. "Group child care home" means a private home in which more than six but not more than 12 minor children are given care and supervision for periods of less than 24 hours a day unattended by a parent or legal guardian, except children related to an adult member of the household by blood, marriage, or adoption.)

Under the Act, a model contract would have to include at least all the following:

- Consistent payments made in advance of providing care.
- Payments aligned with market rate.
- Continued engagement in quality improvement.
- Increased wages for qualified staff.
- Attendance requirements to continue receiving payment.

In each year that the infant or toddler contracts were awarded, the MDE would have to submit a report to the House and Senate appropriation committees on the MDE budget and the State Budget Office regarding those contracts. The report would have to include, but not be limited to, the number of participating providers, number of children served, and lessons learned.

BACKGROUND

Administered by the Office of Child Care within the United States Department of Health and Human Services, the Child Care and Development Fund (CCDF) is a Federal funding source for the support of child care in states. Among other things, the CCDF offers grants for eligible families to subsidize child care services. To receive funds, States must establish eligibility policies and ensure that certain state and local standards concerning health, safety, background checks, and annual inspections are met.

Legislative Analyst: Tyler P. VanHuysse

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the State and no fiscal impact on local units of government. The MDE would experience increased administrative costs to develop a contract model for infant and toddler child care providers and to submit reports to the legislature. In Public Act 87 of 2021, \$36.5 million was appropriated for infant and toddler contracts for two years. The bill would not require a specific amount of appropriation for infant and toddler contracts; the amount would be subject to future appropriation.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.