



Over the last few years, and certainly during the pandemic, the business community has become increasingly aware of child care as a significant issue impacting workforce participation and just how much our economy relies on the child care industry. Our organizations see child care as a business issue and are committed to being a part of the solution. Michigan is receiving a significant investment on child care and it is imperative these dollars are spent in an effective way. In comparing the House, Senate and Executive budget recommendations, we lend our support to the following emerging themes:

- Increasing the income eligibility
 - Child care costs are a significant portion of a workers' income, even above the current 150% FPL. Increasing the eligibility threshold would mean more employees would have this cost burden lifted, allowing them to participate in our economy.
- Waiving family copays
 - While we are supportive of helping families via waiving copays, we fear there is unintended harm to our child care provider community if there is a requirement that 50% of funds providers receive go towards reducing copays for families.
- Increasing reimbursement rates
 - Reimbursement rate increases provides our child care industry the stability to meet the needs of the children they care for and their business.
- Paying providers on enrollment rather than attendance
 - We have heard loud and clear from our child care providers that this change would be beneficial to the health of their business.
- Business support grants
 - Supporting our child care providers as business owners is of the utmost importance to the stability of our economy. Support grants, without strings attached, would allow our providers the flexibility to get back on their feet and thrive while also allowing new providers to enter the industry seamlessly.

We recognize there are important decisions to be made on how best to spend the \$63 million dollars remaining in FY 2020's budget, the allocations for the FY 2021 budget, and the several streams of federal stimulus dollars coming to Michigan. Our organizations stand as partners to ensure investments in child care help our children, our providers, our families and our businesses thrive.

We appreciate your dedication to this important issue and hope you will consider our views as these budget negotiations are happening. Please reach out with any additional questions to Alexa Kramer, Director of Government Affairs at the Grand Rapids Chamber, at alexa@grandrapids.org or 412-926-2597.