

# Legislative Analysis



## ESTABLISH INFANT TODDLER CONTRACTS FOR CERTAIN CHILD CARE PROVIDERS

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<http://www.house.mi.gov/hfa>

**House Bill 5044 as reported from committee**  
**Sponsor: Rep. Ranjeev Puri**  
**Committee: Families, Children and Seniors**  
**Complete to 10-5-21**

Analysis available at  
<http://www.legislature.mi.gov>

*(Enacted as Public Act 109 of 2022)*

### SUMMARY:

House Bill 5044 would create a new act to require the Department of Education (MDE) to establish infant and toddler child care contracts for certain state-licensed child care providers.

Specifically, MDE, in conjunction with an implementation team including providers, partners, and parents of children in child care, would have to develop a contract model for infant and toddler child care providers that can be funded within the federal child care and development block grant requirements.

Contracts created as described above would have to be awarded to *providers* in all *regions* in the state. Contracts would have to be awarded to high-quality providers located in communities where demand for infant and toddler child care exceeds supply as determined by MDE.

*Provider* would mean a *child care center*, *group child care home*, or *family child care home* licensed under 1973 PA 116, known as the child care licensing act. Currently under that act:<sup>1</sup>

- A *family child care home* is defined as a private home where up to six children are taken care of and supervised for periods of less than 24 hours at a time.
- A *group child care home* is defined as a private home where seven to 12 children are provided that supervision and care.
- A *child care center* is a facility that is not a private home that receives one or more children under 13 years of age for care for periods of less than 24 hours a day. Child care center includes a facility that provides care at least two consecutive weeks, regardless of the number of hours of care per day. The facility is generally described as a child care center, day care center, day nursery, nursery school, parent cooperative preschool, play group, before- or after-school program, or drop-in center.

*Region* would mean one of at least four areas of the state as determined by MDE to provide technical assistance to child care providers.

A model contract created under the bill would have to include at least all of the following:

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

<sup>1</sup> For the full definitions of these terms, see <http://legislature.mi.gov/doc.aspx?mcl-722-111>

In each year infant or toddler contracts were awarded, MDE would have to submit a report to the State Budget Office and the House and Senate appropriations committees on the MDE budget regarding those infant and toddler contracts. The report would have to include at least the number of participating providers, the number of children served, and the lessons learned.

#### **FISCAL IMPACT:**

The bill would increase costs for the state but would have no fiscal impact on local units of government.

MDE would incur administrative costs to develop a contract model for infant and toddler child care providers and to submit a report, each year these contracts are funded, on the number of participating providers, number of children served, and lessons learned.

#### **POSITIONS:**

A representative of the Grand Rapids Chamber testified in support of the bill. (9-28-21)

The following entities indicated support for the bill:

- Michigan Department of Education (9-21-21)
- Department of Licensing and Regulatory Affairs (9-21-21)
- Detroit Regional Chamber (9-21-21)
- Michigan Chamber (9-21-21)
- Northern Michigan Chamber Alliance (9-21-21)
- Talent 2025 (9-21-21)
- Michigan League for Public Policy (9-28-21)
- Flint Early Childcare Collaborative and Educare Flint (9-21-21)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.