



June 5, 2024

State Senator Sarah Anthony
Chair, Appropriations Committee
Michigan Senate
P.O. Box 30036
Lansing, MI 48909

Chair Anthony,

As you are aware, Michigan is facing a childcare crisis that affects both families and businesses alike. That is why both the business community and childcare advocates have partnered on numerous initiatives like the MI Tri-Share program and the 2022 legislative reform supporting working families and providers. But now, there are alarming proposals within the FY 2024-2025 Appropriations Bills that threaten the progress made to address our state's already crippled childcare industry. **Once again, the business community and childcare experts come together to oppose budget language that strikes funding for community-based organizations (CBO) and further hinders provider employment.**

House language eliminating 30% of Great Start Readiness Program (GSRP) allocation for CBOs and redirecting that funding towards intermediate school districts (ISD) suggests to private providers that our lawmakers do not support their work in educating our youth. By eliminating this language, you would be giving complete control to ISDs and school districts as to whether private childcare providers, many of which are minority and women-owned, can survive within these jurisdictions.

Senate budget language creates pay parity between private providers and publicly funded providers within a prosperity region. We understand wages for early childhood educators are far too low for those shaping the future of our state. However, teacher salaries within an ISD are directly influenced by revenue from the districts that come from tax sources – private providers do not have access to these funds. Consequently, this budget language requires providers to meet an unrealistic salary threshold without additional financial support. This requirement, in turn, will either force providers

to close their doors or significantly increase their tuition in an environment where families already struggle to pay for childcare.

Both of these proposals would severely impact the growth of the childcare industry in Michigan. If either of these appropriations changes go into effect, Michigan will see many providers close their doors. In a state where there is only enough childcare for 31% of the children under six, we cannot afford to lose any more providers.

That is why we, the undersigned, respectfully request that the 30% of GSRP allocation to CBOs is not eliminated, as well as the removal of language that would require pay parity between public and private childcare providers within the same prosperity region.

Sincerely,

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cc: Majority Leader Winnie Brinks, Senator Darrin Camilleri, Senator Dayna Polehanki, Senator Kevin Hertel, Senator Veronica Klinefelt, Senator Mary Cavanagh, Senator Kristen McDonald Rivet, Minority Leader Aric Nesbitt, Senator Jon Bumstead, Senator Lana Theis, Senator Thomas Albert