



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

MICHAEL F. RICE, Ph.D.  
STATE SUPERINTENDENT

February 22, 2021

Ellen Wheatley, Acting Director  
Office of Child Care  
U.S. Department of Health and Human Services  
Administration for Children and Families  
Mary E. Switzer Building  
330 C St. SW, 4th floor  
Washington, DC 20201

Dear Director Wheatley:

This letter serves as Michigan's plan for spending the Coronavirus Response and Relief Supplemental Act (CRRSA) as of the date of report submission.

The Michigan State Budget Office has requested the full authorization of one-time federal dollars (\$292,115,000) to support Michigan families and their ability to access affordable child care options, provide economic stimulus to child care providers to keep businesses open and serving children and families, support the mental health of children, and give the Department of Education the necessary funding to administer the programs.

As of the submission of this report, the Department of Education is awaiting the legislative appropriation for the spending of these funds. During the legislative approval process this proposal could change. We expect the legislature to make decisions about spending of these funds over the next few months through a supplemental appropriation process. Included below is the currently proposed spending plan.

### **Direct Child Care Services (Subsidies)**

Does the lead agency plan to use CRRSA funds to provide direct child care services, including child care subsidy assistance to health care sector employees, emergency responders, sanitation workers, farm and other food service workers, and/or other workers deemed essential or frontline during the response to coronavirus? If yes, describe.

In effort to increase access to child care and make it more affordable for families returning to work, Michigan plans to expand access to child care subsidy to support more working families as they transition back into the workplace. In order to facilitate this, we plan to:

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- Increase income eligibility for the child care subsidy from 150% FPL to 200% FPL from April 1, 2021 through September 30, 2022. Then, as of October 1, 2022, to adjust to 160% FPL. Michigan anticipates having 151,100 eligible children and estimates that we will serve and additional 15,500 children (88,000 families). This would bring the number of children served by child care subsidy to 58,300.
- Reduce the cost of child care for families by pausing the reduction of the family contribution (co-pay) from provider subsidy payments from April 1, 2021 through September 30, 2022.
- Implement a 10% increase to all child care provider payment rates beginning April 1, 2021 and ongoing to help address increased costs due to the pandemic to meet increased health and safety provisions.
- Temporarily pay child care providers based on enrollment vs attendance from April 1, 2021 through December 31, 2021. The implementation of this policy will help mitigate costs of closures and absences during the ongoing pandemic.

### **Implementation of Virus Mitigation Policies and Practices**

Does the lead agency plan to use CRRSA funds to provide resources, supplies, and/or technical assistance to child care providers to support implementation of health and safety practices and policies in line with guidance from State and local health departments and the Centers for Disease Control and Prevention (CDC)? If yes, describe.

At this time no specific activities are planned under this provision.

### **Grants or Assistance (other than subsidies) to Stabilize Child Care Providers and Assistance to Providers Not Participating in the Subsidy System Prior to the Pandemic**

Does the lead agency plan to use CRRSA funds to support the stability of the child care sector to help child care providers (program facilities and workforce) pay for increased operating expenses during the COVID-19 public health emergency? If yes, describe.

As required in CRRSA, how does the lead agency plan to use a portion of funds appropriated in CRRSA to provide assistance to CCDF-eligible child care providers not participating in the subsidy system prior to the COVID-19 public health emergency?

- Michigan previously offered six rounds of funding as child care relief fund grants to providers. We plan to offer one additional round of business interruption grants to help providers who are open and struggling with operational expenses due to lower enrollment and increased business costs. Due to a high number of providers who submitted applications during our sixth round of grants in 2020, this strategy includes paying out the remaining 291 applications from Round 6 of the child care relief fund grants.
- In addition, Michigan would appreciate guidance on the expectations of this requirement specific to CCDF-eligible child care providers not participating in the subsidy system prior to the COVID-19 public health emergency.

**Other**

Does the lead agency plan to use a portion of CRRSA child care funds for any other activities or assistance not described above? If yes, describe.

- Michigan plans to utilize some of the funding in FY22 to continue providing support to a social emotional consultation model in coordination with the Michigan Department of Health and Human Services. Currently social emotional consultants (in 18 counties) are providing training and ongoing coaching around infant mental health and Center on the Social Emotional Foundations for Early Learning (CSEFEL) strategies to increase the overall quality of social emotional services and health for providers, children, and families. These social emotional consultants are focused on the highest risk populations, birth -5 years, and linking providers and families to comprehensive community resources.
- Administrative support for staffing and technology changes needed to implement the additional supports to families, children, and providers.

Sincerely,

/s/

Lisa Brewer Walraven, Director  
Child Development and Care

Cc: Gena Miller, Region V