

## State Child Care Assistance Policies: Michigan

December 2014

- **Income eligibility limit:** In 2014, a family of three in Michigan could qualify for child care assistance with an annual income up to \$23,880 (121 percent of poverty, 39 percent of state median income).
- **Waiting list:** Michigan had no waiting list for child care assistance as of February 2014.
- **Parent copayments:** In 2014, a family of three with an income at 100 percent of poverty (\$19,790 a year) receiving child care assistance in Michigan paid \$24 per month, or 1 percent of its income, in copayments.<sup>1</sup>
- **Reimbursement rates:** In 2014, Michigan's reimbursement rates for child care providers serving families receiving child care assistance were below the federally recommended level—the 75th percentile of current market rates, which is the level designed to give families access to 75 percent of the providers in their community.<sup>2</sup>
  - Michigan's monthly reimbursement rate for center care for a four-year-old was \$433, which was \$390 (47 percent) below the 75th percentile of current market rates for this type of care.
  - Michigan's monthly reimbursement rate for center care for a one-year-old was \$650, which was \$569 (47 percent) below the 75th percentile of current market rates for this type of care.
- **Tiered reimbursement rates:** In February 2014, Michigan did not pay higher reimbursement rates for higher-quality care.<sup>3</sup>
- **Eligibility for parents searching for a job:** In 2014, Michigan did not allow parents to receive child care assistance while searching for a job.

Source: Karen Schulman and Helen Blank, *Turning the Corner: State Child Care Assistance Policies 2014* (Washington, DC: National Women's Law Center, 2014). These data reflect policies as of February 2014, unless otherwise indicated.

1 The state determines copayments based on the cost of care; this copayment was calculated assuming that the family was purchasing care at the state's maximum reimbursement rate for licensed, non-accredited center care for a four-year-old.

2 The state reimbursement rates shown here were calculated based on hourly rates and taking into account that the state reimbursed providers for a maximum of 80 hours in a two-week period as of February 2014. The state increased the maximum reimbursable hours to 90 in a two-week period as of July 2014, which had the effect of increasing the maximum monthly reimbursement a provider could receive.

3 The state implemented higher rates for higher-quality care as of July 2014; under the new tiered rate system, providers that do not meet the standards necessary to achieve a rating in the state's voluntary quality rating and improvement system (which has five star levels), do not participate in that system, or are at the one- or two-star level receive the base rate, three-star providers receive 25 cents per hour above the base rate, four-star providers receive 50 cents per hour above the base rate, and five-star providers receive 75 cents per hour above the base rate.