



CHILD CARE & EARLY LEARNING

## STATE CHILD CARE ASSISTANCE POLICIES: *MICHIGAN*

- **Income eligibility limit:** In 2016, a family of three in Michigan could qualify for child care assistance with an annual income up to \$23,880 (118 percent of poverty, 38 percent of state median income).<sup>1</sup>
- **Waiting list:** Michigan had no waiting list for child care assistance as of February 2016.
- **Parent copayments:** In 2016, a family of three with an income at 100 percent of poverty (\$20,160 a year) receiving child care assistance in Michigan paid \$32 per month, or 2 percent of its income, in copayments. A family of three with an income at 150 percent of poverty (\$30,240 a year) receiving child care assistance paid \$54 per month, or 2 percent of its income, in copayments.<sup>2</sup>
- **Reimbursement rates:** In 2016, 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.
  - Michigan's monthly reimbursement rate for center care for a four-year-old was \$584,<sup>3</sup> which was \$288 (33 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 \$828,<sup>4</sup> which was \$211 (20 percent) below the 75th percentile of current market rates for this type of care.
- **Tiered reimbursement rates:** In 2016, Michigan paid higher reimbursement rates for higher-quality care.
  - The reimbursement rate for center care for a four-year-old at the highest quality tier was 40 percent higher than the rate at the lowest quality tier.
  - The reimbursement rate for center care for a four-year-old at the highest quality tier was still below the 75th percentile of current market rates.
- **Eligibility for parents searching for a job:** In 2016, Michigan allowed parents to continue receiving child care assistance while searching for a job until the end of their 12-month eligibility period. However, the state did not allow parents to qualify for child care assistance while searching for a job.

Source: Karen Schulman and Helen Blank, Red Light Green Light: State Child Care Assistance Policies 2016 (Washington, DC: National Women's Law Center, 2016). These data reflect policies as of February 2016, unless otherwise indicated.



- 1 In 2016, families already receiving assistance could continue doing so until their income reached \$48,828 (250 percent of the 2013 federal poverty level).
- 2 The state determines copayments based on the cost of care; these copayments were calculated assuming that the family was purchasing care at the state's maximum base reimbursement rate for center care for a four-year-old. Also note that children attending a program with a three-, four-, or five-star rating in the state's quality rating and improvement system (which has five levels), children receiving protective services, foster children, families receiving Temporary Assistance for Needy Families (TANF), families receiving Supplemental Security Income (SSI) benefits, migrant families, and homeless families are exempt from copayments.
- 3 The state has higher rates for higher-quality care; this is the most common rate level (the level representing the greatest number of providers).
- 4 This is the most common rate level.

