

CHILD CARE & EARLY LEARNING

STATE CHILD CARE ASSISTANCE POLICIES: MICHIGAN

- **Income eligibility limit:** In 2017, a family of three in Michigan could qualify for child care assistance with an annual income up to \$25,116 (123 percent of poverty, 38 percent of state median income).¹
- **Waiting list:** Michigan had no waiting list for child care assistance as of February 2017.
- **Parent copayments:** In 2017, a family of three with an income at 100 percent of poverty (\$20,420 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 (\$30,630 a year) receiving child care assistance paid \$65 per month, or 3 percent of its income, in copayments.²
- **Payment rates:** In 2017, Michigan's payment 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.³
 - Michigan's monthly payment rate for center care for a four-year-old was \$585,⁴ which was \$281 (32 percent) below the 75th percentile of current market rates for this type of care.
 - Michigan's monthly payment rate for center care for a one-year-old was \$828,⁵ which was \$199 (19 percent) below the 75th percentile of current market rates for this type of care.
- **Tiered payment rates:** In 2017, Michigan had higher payment rates for higher-quality care.⁶
 - The payment 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 payment 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 2017, Michigan allowed parents already receiving child care assistance to continue receiving it while searching for a job until the end of their 12-month eligibility period. However, the state did not allow parents to initially qualify for and begin receiving child care assistance while searching for a job.⁷

Source: Karen Schulman and Helen Blank, Persistent Gaps: State Child Care Assistance Policies 2017 (Washington, DC: National Women's Law Center, 2017). These data reflect policies as of February 2017, unless otherwise indicated.

- 1 In 2017, families already receiving assistance could continue doing so until their income reached \$53,532 (85 percent of the 2015 state median income).
- 2 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 base payment 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 This analysis reflects payment rates in effect as of February 2017. The state increased base payment rates and rates for higher-quality care as of July 2017.
- 4 The state has higher rates for higher quality care; this is the most common rate level (the level representing the greatest number of providers).
- 5 This is the most common rate level.
- 6 This analysis reflects payment rates in effect as of February 2017. The state increased base payment rates and rates for higher-quality care as of July 2017. The base rate for all providers was increased by 25 cents per hour. Rates for centers and family child care providers with ratings of one or two stars in the state's quality rating and improvement system were also increased by 25 cents per hour. Rates for three- and four-star centers and family child care providers were increased by 50 cents per hour, and rates for five-star centers and family child care providers and license-exempt family child care providers at level two (providers that complete additional training) were increased by 75 cents per hour.
- 7 Parents can only qualify for child care assistance while searching for a job if they are receiving TANF.

