Public Policy Associates

TEMPORARY PAYMENT POLICY IMPACTS

Family Contribution Policy Suspension and Payment Rate Increases in Michigan's Child Development and Care Scholarship Program

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INTRODUCTION

The COVID-19 pandemic spurred multiple changes in Child Care and Development Fund (CCDF) policy, both temporary and permanent. Among the changes implemented in Michigan, a temporary stop of the family copayment (called "family contribution" in Michigan) and temporary and permanent provider payment rate increases featured prominently. These changes aimed to put more money in the pockets of families and child care providers during difficult economic times. Removing the required family contribution represented as much as $186 in savings biweekly for a large family, which could go toward other expenses. The rate increases, combined with other policies, gave providers the option to invest additional revenue into higher wages, enhanced program quality, and other needs.

The temporary nature of the policy changes poses interesting questions about how patterns of program participation and access to child care were impacted, both in terms of when these policies were active and when they ceased. In this brief, we explore who benefited from these policies and their impact on Child Development and Care (CDC) Scholarship trends.

To learn more about this study or PPA's work on early childhood issues, contact the principal investigator, Rebecca Frausel, or project director, Colleen Graber.

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Family Contribution Policy

Normally, Michigan requires a family contribution for a narrow set of families with a CDC Scholarship. Those who are exempt from the family contribution are described in the box at right. Other families are subject to the family contribution, which starts at a minimum of $15 per child to a maximum of $186 per family per two-week pay period[i] (and, the family contribution is capped at 7% of a family's income).[ii] Nationally, Michigan ranks among the few states following CCDF guidance by requiring a family contribution from only a modest number of families.[iii]

Families exempt from the family contribution in Michigan:

- Earn less than 100% of the federal poverty level
- Have a licensed provider at one of the top three quality levels
- Have a foster care child or have an open Child Protective Services case
- Are experiencing homelessness or are migrants
- Receive TANF benefits

Between November 2021 and September 2023, Michigan took advantage of a special allowance by the federal Office of Child Care to excuse all families from a family contribution. The pre-pandemic policy returned when the waiver ended. In December 2023, 14% of the families in the CDC Scholarship program were required to pay the family contribution, with an average of $17 required per child biweekly. In 2019, when the federal poverty limit and thus the program's income threshold was lower, about 10% had a required contribution.

Figure 1. Geographic Type of Families with CDC Family Contribution

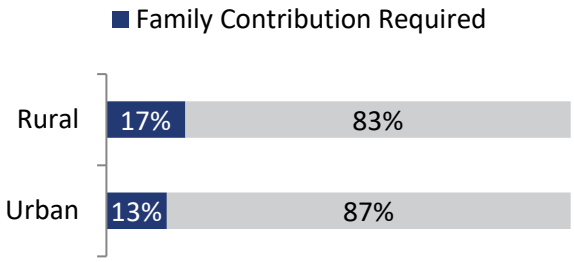
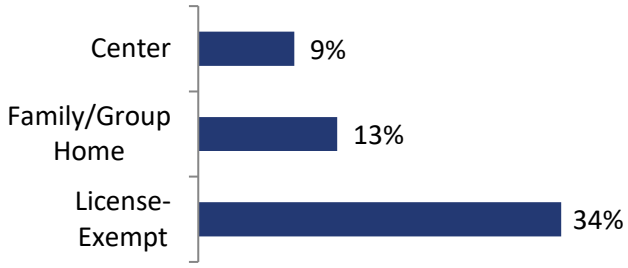


Figure 2. Provider Type of Families with CDC Family Contribution



Payment Rates to Providers

For licensed providers, payment rates vary by child age (infant/toddler, preschool, school-age), license type (family/group home, center), and provider quality level based on the State's Quality Recognition and Improvement System (QRIS), Great Start to Quality (GSQ).[iv] In total, there are five quality levels, and as of February 2023, all providers in good standing with licensing are automatically enrolled at the foundational level (level 1). For license-exempt providers, rates vary based on whether they completed the two hours of health and safety training (Tier 1) or whether they complete an additional eight training hours per year (Tier 2). Child age is also considered for the Tier 2 level.[v] Michigan payment rates do not vary by provider location.

Study Overview

Public Policy Associates and the Michigan Department of Lifelong Education, Advancement, and Potential (MiLEAP) are partnering for a multi-year study of the CDC Scholarship program's payment rates and structures. The mixed-methods study includes administrative data and review of program documentation, as well as insights from providers, families, and eligibility specialists. An advisory group provides additional perspectives to the research team. The analyses aim to understand any differences in outcomes and how administrative burden affects program participation and families' access to child care.

Between October 2021 and September 2024, Michigan made multiple changes to the CDC Scholarship program's payment rates (Table 1). These changes sought to increase compensation for all provider types, bringing them closer to market rates. However, the higher rates in effect between October 2021 and August 2023 (originally October 2021 – April 2023) were explicitly temporary because they were supported by time-limited American Rescue Plan Act funds. Weighing the benefit of such increases against their temporary nature, Michigan opted to give providers the highest payments possible in the short term. In September 2023 and September 2024, new "permanent" increases went into effect.

TABLE 1. MICHIGAN CDC SCHOLARSHIP PAYMENT RATE CHANGES, 2021–2024

MONTH IMPLEMENTED	% PERMANENT INCREASE	% TEMPORARY INCREASE	SAMPLE RATE*
Jan. 2021 (original baseline)	-	-	$3.70
Oct. 2021 (new baseline)	30%	-	$4.85
Oct. 2021	-	50%	$7.30
Apr. 2022	-	40%	$6.80
Originally Oct. 2022**	-	30%	$6.35
Oct. 2022	-	~8% increase over planned 30%	$6.85
Originally Apr. 2023**	Revert to Oct. 2021 baseline	-	$4.85
Sep. 2023 (revised baseline)	~10% increase over Oct. 2021 baseline	-	$5.35
Sep. 2024	15%	-	$6.15

*Hourly, for a preschool-aged child enrolled at a licensed family home provider with mid-level of quality, Enhancing Quality (formerly 3 stars). The rate tables were published in the CDC Handbooks posted on the program website.
**The State budget allowed for more generous rates than originally thought possible in 2021. These original rates (in grey shaded rows) were never implemented, except as the basis for the October 2022 and September 2023 rate calculations. Rate amounts rounded by the State.

In December 2023, 6,029 unique providers served families with a CDC Scholarship. Most children were cared for at centers, but the provider mix included more license-exempt providers (2,628) than centers (1,857) or home-based providers (1,535). Most licensed providers participating in CDC at that time had reached one of the top three quality levels (55%).

METHODS

To analyze the effects of the temporary rate increases and suspension of the family contribution requirement, we examined the CDC administrative records using descriptive analyses, logistic regression, and survival analyses. The administrative records captured more than 3.5 million records of payments to providers on behalf of children and their families from 2019 to 2023. In addition, this brief presents results from primary sources (eligibility specialist survey, provider longitudinal panels, provider survey, and interviews with families) collected in spring and summer 2024. As the family contribution change affected few families, most providers had little experience with it and the panel could not speak to differences from the normal policy. In addition, the families interviewed had less familiarity with these policies overall than the providers.

RESULTS – FAMILY CONTRIBUTION POLICY

The temporary stopping of the family contribution requirement and the increased payment rates resulted in higher payments for providers.

As anticipated, the combination of covering the required family contribution for eligible families (which normally would have been deducted from providers' biweekly payment), combined with the elevated rates described in Table 1, resulted in higher biweekly payments for all types of providers. While all provider types saw increases to their average biweekly payments from the State, home-based child care providers (HBCCs) and license-exempt providers (LEPs) saw particularly large gains. HBCCs saw biweekly amounts increase by more than 60% on average during October 2021 –March 2022 compared to the baseline rate. During October 2022 – September 2023, LEPs were paid almost double the average baseline rate ($409 vs. $792). While centers too saw increases of up to 50%, their already-higher biweekly payments were less impacted. This may be the result of seasonal fluctuations in child care.

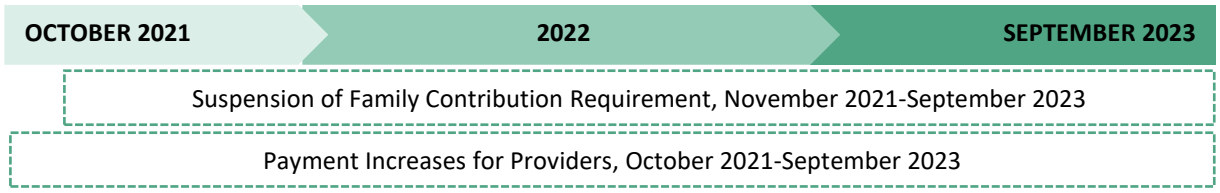
While average biweekly payments decreased once the family contribution requirement was reinstated and temporary rate increases ceased, all types of providers are paid more on average between September 2023 – June 2024 compared to January – September 2021 (25% more for centers, 19% more for HBCCs, and 49% more for LEPs).

TABLE 2. AVERAGE BIWEEKLY PAYMENTS BY PROVIDER TYPE, 2021–2024

	AVERAGE BIWEEKLY AMOUNT PAID		
TIME PERIOD	CENTERS	HBCCS	LEPS
January – September 2021	$3,729	$1,759	$409
October 2021 – March 2022	$5,350	$2,871	$603
April – September 2022	$5,493	$2,464	$773
October 2022 – September 2023	$5,634	$2,566	$792
September 2023 – June 2024	$4,666	$2,089	$611

NOTE: This table does not consider seasonal variation in child care usage, which affects provider payment rates. Generally, payments to providers are highest during the summer (June – August), particularly for centers.

Figure 3. Overlap in Timing of Temporary Policies, 2021-2023



The family contribution requirement stoppage mainly impacted families in rural areas and those with license-exempt providers.

As discussed previously, when the family contribution requirement was temporarily discontinued, relatively few families were required to pay it, since many are normally exempt. We used CDC payment records from 2019 as a baseline to understand who was eligible for the family contribution prior to the pandemic and the policy changes. Generally, providers in rural areas are the ones most likely to have families with a required family contribution (see Figure 1), as are license-exempt providers (see Figure 2). This appears to be due to the type of providers and quality level available to and chosen by families, as well as the exemption from a family contribution for higher levels of quality. We also examined whether there was a difference by racial group; however, no statistically significant difference was found between families on that basis.

The reinstatement of the family contribution requirement did not generally impact program participation, although those families with license-exempt providers were more likely to experience a break.

Families generally did not experience interruptions in care following the return of the family contribution requirement. Administrative records showed families were more likely to leave the program or take a break in October through December 2023 than in earlier months of the year, but this is most likely due to seasonal changes in child care patterns rather than the policy change. When compared to the same time frame in other years, patterns of leaving or taking a break were similar. The one exception was families with LEPs, who were 20% more likely to leave or take a break from the CDC program between October and December 2023 than in the same three months of 2019. While these families were more likely to leave or take a break from the program, they were not more likely to change providers.

Black families saw greater disruption in program participation than other families after the reinstatement of the family contribution requirement.

Black families also saw increased interruptions in care when the family contribution policy returned to normal. Black families were 12% more likely to leave or take a break from the CDC program in the last months of 2023 than in the same period of 2019. This remained true even when controlling for provider type (to account for the fact that Black families are more likely to have LEPs).

Providers broadly understood the temporary family contribution policy, although it was less clear to centers and rural providers.

Survey data found that providers generally agreed (59%) that the temporary stopping of the family contribution requirement was clear. Compared to centers (54%), HBCCs (69%) believed more strongly that the policy was clear, possibly because more HBCCs have experience collecting the family contribution. Likewise, providers in rural areas (68%) also agreed more strongly than those in urban areas (56%) that the family contribution policy was clear.

Providers did not foresee the family contribution policy change impacting their future participation in the scholarship program.

Less than half of surveyed providers (43%) were familiar with the return of the required family contribution. By comparison, the majority (70%) were at least somewhat familiar with the changes in provider payment rates. Again, the numbers of families with the required contributions are comparatively small in Michigan, so this result is not surprising. Among those who were familiar with the end of the temporary suspension of the family contribution requirement, fewer than half believed it would affect what they charge families (45%) or their willingness to accept scholarship families in the future (38%).

Collecting the family contribution was difficult for most providers, particularly those in urban areas.

Providers were surveyed after the family contribution requirement returned. Approximately three-quarters (76%) of providers reported difficulties in collecting family contributions from families with the CDC Scholarship. Although there were no differences by provider type, providers in urban areas (79%) agreed more strongly than providers in rural areas (67%) that the family contributions were difficult to collect from families. Given the challenges with collecting it, removing the family

contribution requirement may have reduced the burden of program participation for providers, even though, again, the overall numbers are small.

Eligibility specialists found the temporary family contribution policy clear, with some variation by type of office.

Sixty percent of eligibility specialists found the temporary family contribution policy to be clear, with roughly the same percentage (61%) feeling the return to the normal policy was effectively communicated to them as specialists. There were differences, however, by type of Michigan Department of Health and Human Services office. Specialists in universal caseload (UCL) offices were less likely (59%) to feel communication about the end of the temporary suspension of the family contribution requirement was effective, compared to specialists in non-UCL offices (66%).[vi] This raises questions about whether sources for information about policy changes varied for those at UCL offices. Additionally, only about half of responding eligibility specialists believed that the return of the family contribution requirement was effectively communicated to the families with CDC Scholarships (52%).

Families did not perceive the temporary family contribution requirement change as burdensome, largely because it did not pertain to them.

Most of the parents who were interviewed (64%) indicated that the return of the family contribution had no impact on the time needed to learn about it; of those, nearly 40% said they were unaware of the policy change. Even for those parents that did take time to learn about the change, the time commitment was minimal, with most learning about it through a brief conversation with their provider (7) or directly from the MDHHS (6), whether through reading the letter sent to parents describing the change or contacting an eligibility specialist.

Likewise, most parents interviewed were unaffected by the rate policy change because they experienced no change in their child care cost or CDC Scholarship participation. The parents' comments about this change overall reflected their limited time and need to focus on only the information that pertained to their own situations.

> "I read the paper [notice of change] and then didn't even care because it didn't affect me how much everyone else is getting paid. All that I care about is how much I have to pay." – Parent Interviewee, August 2024

> "I don't even look up new information as far as changes unless something stops. I only look at my mail if they're saying I have to get a redetermination in or the

hours went down or decreased. Anything else I honestly skip over it." – Parent Interviewee, July 2024

RESULTS – PAYMENT RATE INCREASES

Provider panelists understood and appreciated all rate increases and were prepared for when the additional amounts ended.

Providers saw the new rates as a win for their programs and CDC Scholarship parents, particularly when considered with other payment-related policy changes at the same time (e.g., payments based on child enrollment as opposed to child attendance).

> "From the beginning, we always accepted everybody that came in here. But with the changes after COVID, with all the new policies, … it gave us an incentive … to provide more spots to [families with a CDC Scholarship] … The reimbursement rates was high enough for families that didn't have to pay any difference." – Center Provider Panelist, February 2024

Grateful reactions to the initial permanent rate increases extended to the final temporary one in 2021. Providers recognized the temporary nature of the rate increases. As expressed by one provider panelist, the temporary rate change made a meaningful difference while it was in effect:

> "I was so happy with the reimbursement amounts. I felt like, 'Okay, someone is finally understanding the importance of ECE [early childhood education].' I was able to bonus my staff out every month. … I did not base anything long-term on that because I knew that it was short-term." – Center Provider Panelist, August 2024

Despite awareness of its time limit, providers were disappointed when the temporary increases ended. "I just wanted to cry," one said (February 2024). This same provider panelist noted in the August 2024 session that her staff were not surprised—they, too, knew it was temporary—but, she further explained that "it still kind of was a shock because it was great for them, and they felt valued more, and they felt appreciated more because I was able to do that."

Providers were mixed on whether the rate changes would impact their future participation in the CDC Scholarship program.

Most providers who were surveyed (70%) were familiar with the change in provider rates implemented in September 2023. Among those aware of the rate changes, 3 in 5 providers (60%) felt the end of the temporary increase would impact what they charge for care somewhat or to a great extent, regardless of whether they were home-based or centers. Providers were mixed on whether the rate changes would impact their willingness to accept CDC Scholarship clients in the future, with 54% reporting very little or no impact.

Based on limited data, it appears that providers responded to the end of the temporary rate increases by reducing costs or seeking to increase revenue.

As noted above, provider panelists readily acknowledged awareness of the temporariness of some of the increases. They reported cost-cutting and/or revenue-enhancing moves in response to the end of those rates. For example, some ended staff bonuses or other similar non-wage compensation or support. Others indicated they had extended the hours they were open to add more shifts and/or increased child enrollment. However, the panelists were few in number, so this finding is tentative pending more data.

Few parents interviewed reported an effect on their families because of the end of the temporary rate increases.

In interviews, we asked parents about the impact of the expiration of the temporary payment rate increases on them. Eighty percent indicated it had no effect on their families. Of the other seven parents interviewed, only two (6%) indicated that they saw a small increase in their child care costs. It appears that the lost revenue for providers was not immediately passed on to families with CDC Scholarships in the form of increased costs.

DISCUSSION

The CCDF statute and related regulations require states to institute and regularly update a sliding fee scale specifying child care copayment (family contribution).[vii] States enjoy wide discretion over family contribution levels so long as the sliding scale has at least two tiers based, at minimum, on family income and household size. States are permitted to exempt families from a contribution based on specified family characteristics.[viii] As a result of these provisions, the proportion of program-participating families who have a required contribution varies widely, from 6% in South Dakota to 96% in Massachusetts.[ix] As noted earlier in this report, in Michigan in December 2023, 14% of families had a required family contribution.

The CCDF 2024 Final Rule updated states' discretion of these two components: (1) capping any state-required family contribution to 7% of a family's income, regardless of the number of children in care receiving program benefits, and (2) permitting more extensive exemptions from a family contribution requirement for certain families.[x] Michigan is already in compliance with these requirements.

The family contribution is automatically deducted from the payments providers receive from MiLEAP, so it is up to each provider to make themselves whole by charging the family that extra amount.[xi] Ultimately, there is no way to tell if a family actually paid their contribution since Michigan does not have a mechanism for providers to report collected family contribution amounts, and this lack of information prevents any causal inference about the effect of the policy. Therefore, a limitation of these analyses is that any noticeable change in program participation may be more attributable to other factors or changes in other policies (e.g., increased provider payment rates were in place at the same time as the family contribution stoppage and might have had stronger impacts). Based on the small portion of families with a family contribution requirement normally, its suspension for all families had limited opportunity to impact behaviors and program outcomes.

We estimated the total amount of family contributions included in providers' payments between November 2021 and September 2023 using the average value of family contributions per provider per pay period in the last two weeks of October 2021 ($16 per center, $11 per HBCC, and $18 per LEP), multiplying these values by the number of each provider type each pay period during that 23-month period, and summing the total. When the family contribution suspension was in place, approximately $3.6 million was put directly in the pockets of providers. This is a relatively small amount (approximately $157,000 per month), given the total payments paid (e.g., in December 2023, $35.7 million[xii]). The potential loss of the income for providers through the required family contribution may not be worth the cost, particularly when policy confusion and implementation costs are added to the mix.

Approximately a third (32%) of Michigan providers do not charge families the difference between the full tuition and the CDC Scholarship, which includes any family contribution required, leaving a gap in compensation for the providers.[xiii] As discussed, it can also be challenging for providers to get the difference owed from families with low incomes.

However, for providers, the temporary rates had more impact on their operations than the temporary family contribution suspension, particularly for staff compensation and, in some cases, increased tuition rates. This reflects an ongoing challenge of ensuring that child care providers receive sufficient and stable funding to maintain operations, support staff wages, and promote quality improvement. In recognition of this fact, the State again raised the baseline rates by 15% in September 2024. Still, the repeated fluctuations in reimbursement rates can create uncertainty for providers, making long-term financial planning difficult.

The question of market stability and workforce compensation remains central to understanding Michigan's child care landscape. Other research has documented persistent financial challenges faced by providers, particularly when it comes to recruiting and retaining staff due to low wages.[xiv] While the recent payment

rate increases have provided some relief, they have not addressed the underlying issue of overall low earnings, poor benefits, and high turnover for workers in early care and education.

Policy Recommendations

- Communication of policies to providers, eligibility specialists, and families remains critical. Targeted messaging with attention-grabbing titles may be necessary to prevent some families from missing important information.
- Include parents and providers in decision-making about CDC program materials, including major Handbook changes.
- The State should seek ways to increase provider compensation through the CDC Scholarship program to meet the true cost of delivering quality child care while ensuring access for families with low incomes.
- The family contribution requirement, although not without its challenges, is a modest cost to families and of modest savings to the State. Increased payment rates are a more critical investment, but should there be the opportunity, further financial stability might be gained for providers and families by eliminating that policy permanently.
- Policymakers should consider how future investments in the child care market overall—permanent rate increases, direct wage or benefits supports, expanded grant programs—can stabilize the workforce and increase the supply of affordable child care for families with the CDC Scholarship and other working parents with low incomes.

Next Steps

In the next year of the study, we will collect additional data from secondary and primary sources, including listening to providers, eligibility specialists, and families about how the CDC Scholarship payment structure impacts them and their outcomes. In 2025, interviews and surveys, for instance, will examine the most recent (permanent) payment rate increase of 15%, in addition to following the longer-effects of other payment-related policies.

Future research will explore how providers and families adapt to these rate changes, and whether more predictable, long-term funding strategies (e.g., prospective payments, contracted/granted child care slots) could support a more stable child care system. The secondary data analyses presented in this report have primarily been descriptive in nature. Future research will utilize expanded time periods, allowing the research team to evaluate longer-term impacts of changes to payment and copayment policies on families and children. To strengthen the analysis, future work will employ interrupted time series and comparison groups to better isolate policy effects from other external factors.

CONCLUSION

This study provides insights into the impacts of temporary policies in Michigan's CDC Scholarship program following the COVID-19 pandemic recovery. We demonstrated how the return of the family contribution requirement for some families impacted program participation rates for Black and rural families.

The ongoing research will expand on the results presented in this brief by following the administrative data into 2024, up to the next payment rate increase in September 2024. This will allow us to determine if patterns in outcomes took longer to develop after ending the temporary payment rates and reinstating the previous family contribution policy.

Particularly in times of rapid changes in the economy, seeking to understand the effect of policy temporariness has value. As the child care providers and families navigate ongoing financial challenges, even temporary policies (or the funding streams that support them) have the potential to provide relief while longer-term solutions develop. Determining to what extent temporary efforts are positive disruptions or not remains to be explored through further research.

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Appendix

METHODOLOGY NOTES

Secondary Data

CDC Payment Data

The PPA research team conducted secondary analyses using 2019–2023 administrative data that was obtained from Michigan's Bridges (MiBridges) system, including payments made to providers on behalf of families receiving the CDC Scholarship. Payments were made to providers on a biweekly basis, meaning that providers were paid every two weeks. The data also included demographic information, such as provider type and county areas in which families lived (i.e., rural or urban). Cases in which child or provider identifiers appeared more than once in any single pay period were filtered out to determine the most accurate descriptive information about providers and families. In particular, the analysis focused on identifying frequencies for unique provider identifiers—by provider type—for each pay period, so omitting duplicate provider identifiers was a necessary step in assessing changes over time.

Continuity of care was measured by whether the family changed providers over the course of the year or took a break from their provider for more than two weeks. A supplemental model was created to measure whether a participant changed providers at all. Family persistence in the program was measured by observing breaks or separation of any subsidized care. In these models a focal child method was utilized, randomly selecting a child to represent the family. These models were conducted utilizing Cox regression techniques, while controlling for time in the program, child age, provider type, reported income, geography, and racial demographics. These models measured time from start of the year to time of separation or break, if a family had one in the given year. Models utilized difference-in-difference techniques, observing difference between separations after September for 2023 and comparison years.

A key methodological limitation of the secondary data analyses is the difficulty in isolating the effects of any single policy change, given that the suspension of the family contribution requirement was in place at the same time as increased reimbursement rates. Additionally, external factors such as inflation, shifts in labor market dynamics, and broader economic conditions may also have influenced parent and provider behavior during this period. Without a clear counterfactual, it is difficult to determine the relative impact of each policy change.

Primary Data

Provider Survey

The PPA research team recruited 400 child care providers to complete a 20-minute survey focused on providers' experiences and perceptions related to serving families who receive assistance from the State's CDC program. Surveys were administered in the 2023–2024 year through a Survey Monkey invitation link. At the conclusion of data collection, 10 survey respondents were randomly selected to receive $100 gift cards. Of the providers who completed the survey, 64% were centers, 35% were HBCCs, and 1% were LEPs. The counties in which responding providers worked were predominantly in urban areas (74%).

Eligibility Specialists Survey

The research team recruited 562 eligibility specialists to complete a survey aimed at understanding the effects of changes to child care assistance policies for families and children. Surveys were administered through SurveyMonkey and were to be completed by April 2024. Of the responding eligibility specialists, 64% reported that they work in a UCL office. More than half of the sample (54%) included specialists who had up to 750 cases.

Provider Panels

Eleven providers participated in two 90-minute panel sessions designed to collect longitudinal data on providers' experiences and responses to the recent provider payment policy changes, including but not limited to the two referenced in this brief. The research team identified a purposive sample of providers based on license type (family home based, group home based, and center) and location (Business Service Center [BSC] Region). Providers were invited to express interest via an online form emailed by MiLEAP. PPA prepared a list of 24 prospective panel members considering provider tenure in the CDC program, gender, age, race/ethnicity, and characteristics of enrolled children (i.e., race/ethnicity, special needs, English Language Learners) and confirmed 20 providers via email. Panels were conducted via Zoom, with 11 providers (5 centers, 4 group homes, 2 family homes) attending the first in February 2024, and four (2 centers, 2 group homes) attending the second in August 2024. Panelists received a $50 gift card. Panel transcripts, notes, and Zoom chat responses were analyzed using Dedoose. The results of these small panels were used as supplementary information for the study.

Family Interviews

PPA randomly selected 480 parents from the most recent CDC program administrative dataset, stratified by provider type for their youngest child in the CDC Scholarship program. Parents were invited to schedule interviews through Outlook's Bookings via email from MiLEAP, with two rounds of follow up outreach from PPA as needed. Non-respondents were replaced with comparable sample members. Between July and September 2024, 42 parents participated in phone interviews lasting up to an hour, which explored parents' awareness, experience, and perceptions of child care access and CDC program policy changes. Interviews discussed the two policy changes of focus in this brief to a limited extent. Participants received a $50 gift card. The transcripts were cleaned and uploaded into Dedoose for coding and analysis.

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[i] CDC Income Eligibility Scale and Family Contribution. Michigan Department of Lifelong Education, Advancement, and Potential. October 2024. https://www.michigan.gov/mileap/-/media/Project/Websites/mileap/Documents/Early-Childhood-Education/Child-Development-and-Care/2024-docs/parent-files/CDC-Income-Eligibility-Scale-and-Family-Contribution-FCADA.pdf

[ii] 45 CFR Part 98, RIN 0970–AD02, Improving Child Care Access, Affordability, and Stability in the Child Care and Development Fund (CCDF). U.S. Department of Health and Human Services. Federal Register, Vol. 89, No. 42. Friday, March 1, 2024, 15367. https://www.govinfo.gov/content/pkg/FR-2024-03-01/pdf/2024-04139.pdf

[iii] Child Care and Development Fund Administrative Data. Federal Fiscal Year 2019 (ICPSR 38677). https://doi.org/10.3886/ICPSR38677.v1

[iv] Only licensed providers may participate in Great Start to Quality.

[v] License-exempt provider rates vary by training level, with the higher payment rates for Tier 2. That level requires 10 hours of training a year.

[vi] Universal caseload is a model used by some of Michigan's county-level offices, where specialists share cases rather than having them assigned to individual specialists.

[vii] See CCDF act, Section 658E(c)(5), 42 U.S.C. §9858c(5); 45 CFR Part 98.45.

[viii] See 24 CFR §98.45(l).

[ix] Child Care and Development Fund Administrative Data. Federal Fiscal Year 2019 (ICPSR 38677). https://doi.org/10.3886/ICPSR38677.v1

[x] See *Federal Register*, Vol. 89, no. 24 (March 1, 2024), 15366 – 15417. https://www.govinfo.gov/content/pkg/FR-2024-03-01/pdf/2024-04139.pdf

[xi] In cases where the CDC Scholarship payment equates to what the provider charges families without a CDC Scholarship, the provider should not request the family contribution.

[xii] Michigan Department of Health & Human Services (2024, December). Green Book Report of Key Program Statistics. https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Inside-MDHHS/Reports-and-Statistics---Human-Services/Green-Book/2024_12_GreenBook.pdf?

[xiii] Robert Burroughs, Brinda Athreya, Suniya Farooqui, Calandra Reichel, Nathalie Winans, & Veronica Worthington. *Michigan's Child Care Market Rates.* (2023) (Lansing, MI: Public Policy Associates). https://www.michigan.gov/mileap/-/media/Project/Websites/mileap/Documents/Early-Childhood-Education/Child-Development-and-Care/2024-docs/partner-files/Market-Rate-Survey/2023_MRS_summary_ADA.pdf