STEPS TO SUCCESS

Michigan's Child Care Subsidy Program THE PROVIDER EXPERIENCE



The child care subsidy program helps low-income families afford child care while parents work or attend school. However, many child care providers cannot afford to accept subsidies because of low reimbursement rates, which directly impact staff wages & program quality. Learn how Michigan child care subsidies have evolved & what program changes will support child care providers.

WHERE WE WERE (AS OF 2015)

WHERE WE ARE

WHERE WE NEED TO GO

SUBSIDY REIMBURSMENT RATE

MARKET SURVEY

Based on **market rate** surveys, which fail to capture actual cost of providing care

MARKET SURVEY

Still based on market rate surveys

COST ESTIMATION

Based on **cost** estimation model capturing the **true** cost of high quality child care

SUBSIDY REIMBURSMENT **DETERMINATION**



ATTENDANCE

Based on child attendance, not enrollment

ENROLLMENT

Based on **child** enrollment

ENROLLMENT

Permanently based on **child** enrollment

MI CHILD CARE **PROVIDER WAGE/HOUR**



\$8.36/hour

In 2015 Just above minimum wage \$11.13/hour

Just above minimum wage

At least living wage aligned with the True Cost report, supported by increased subsidy rates

MI CHILD CARE **PROVIDERS** LIVING IN **POVERTY**



OF MI CHILD **CARE PROVIDERS RELYING ON PUBLIC ASSISTANCE DUE TO LOW WAGES**



1 in 5





Significant long-term investments are needed to increase program accessibility and lower child care costs for working families, ensuring that all families can "Make it in Michigan"