

Care You Can Count On: Integrity in Michigan's CDC Scholarship

Stable and reliable child care is essential for families, businesses, and the overall health of the state's economy. High-quality early care and learning is the foundation for young children's success while enabling families to pursue career and educational opportunities. **Every dollar spent on high-quality early care and education programs can return up to \$7 through improved education, health, and economic outcomes.ⁱ**

Unfortunately, child care costs more than many working families can afford, yet child care businesses cannot lower their prices without going out of business. Program costs reflect the requirements critical to ensuring children's health and safety. **Yet, across the country, child care often costs families more than in-state college tuition or the cost of housing.**

The Child Development and Care (CDC) Scholarship program helps lower-income working families offset child care costs so parents can work or attend an education program. On average, 20% to 40% of families in each Michigan county are eligible for the CDC scholarship.ⁱⁱ The CDC Scholarship program supports 46,695 Michigan children ages 0-13 from 28,273 families who receive care from 6,891 child care providers.

The CDC Scholarship program is funded through a combination of state and federal funds, with federal dollars coming from the Child Care and Development Fund (CCDF). Michigan's Department of Lifelong Education, Advancement, and Potential (MiLEAP) administers the program, while the Department of Health and Human Services (MDHHS) supports eligibility determination. Together, through strong program oversight and safeguards, MiLEAP and MDHHS support eligible families in accessing the program while ensuring potential fraud and errors are promptly identified and addressed. The program maintains safeguards and policies to ensure that child care providers can follow protocol, comply with program standards, and provide high-quality services to the children in their care.

Michigan's CDC Scholarship program uses multiple, layered oversight strategies to ensure funds are used appropriately, reduce improper payments, detect errors, and prevent fraud, including:

- Annual audits by the Michigan Office of Auditor General, which are publicly posted;
- Routine Federal Office of Child Care monitoring;
- Ongoing billing and eligibility reviews by trained program analysts and specialists to ensure provider records are accurate and families remain correctly approved for the scholarship;

- Annual licensing visits where child care business records are reviewed and discrepancies are reported; 10,890 inspections were conducted in 2025;
- Investigations when concerns are reported, which can be elevated by the public through the statewide fraud hotline;
- Referrals to the Office of Inspector General for fraud investigations; and,
- Routine, unannounced inspection visits of child care programs by the State of Michigan.

As child care has become increasingly expensive and difficult to find, working parents and families in Michigan are faced with substantial financial challenges and decisions. **The CDC Scholarship enables parents to stay in the workforce and ensures that families have access to high-quality child care that meets their needs.** For the state, the CDC Scholarship program helps employers have a reliable workforce, ultimately supporting thriving communities and Michigan's economy.

For more information, please contact Kelly Walden at kwalden@ecic4kids.org.

ⁱ First Five Years Fund: "Fact Sheet: Child Care and the Economy." Read more: bit.ly/4pD5XSg

ⁱⁱ Public Policy Associates: "Child Care Policy Lessons: Key Michigan Policy Results, 2015-2022." Read more: bit.ly/3Z9opHo