



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

GRETCHEN WHITMER
GOVERNOR

MICHAEL F. RICE, Ph.D.
STATE SUPERINTENDENT

Date: August 23, 2021

To: Parents/Guardians Using License Exempt-Tribal, Military, or Parent-on-Site Child Care Providers

From: The Michigan Department of Education (MDE), Child Development and Care (CDC) Program

Subject: Temporary Provider Rate Increase

We are pleased to announce **temporary financial relief** that will positively impact child care providers and families.

Effective September 27, 2020, through September 25, 2021, provider subsidy rates are being increased by 40%. This temporary increase will be updated in accordance with the Fiscal Year 2021 State of Michigan budget bill.

Note: The actual pay period effective dates are pay period 021 (9/27/20 – 10/9/20) through pay period 120 (9/12/21 – 9/25/21).

A one-time supplemental payment (back payment) will be issued for billings that were submitted and paid at the current hourly rates. It will **not** be necessary for providers to rebill to receive supplemental payment.

MDE will post an update on the CDC website regarding when the supplemental payment is expected to issue: www.michigan.gov/childcare.

The benefit of this temporary financial relief for CDC families is that the supplemental amount (back payment) and the increased rates through 9/25/21 could pay down an existing balance owed to your provider or contribute towards a credit (positive) balance for future care charges.

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Provider Hourly Reimbursement Rates: 9/27/2020 through 9/25/2021

| Provider Type | Star Rating | Infant/ Toddler (Birth to Age 2 ½) | Preschool (Over 2 ½ to Age 5) | School Age (Over Age 5) |
|---|------------------------------|---|--|------------------------------------|
| Child Care Center | Base Rate (Blank Star) | \$6.05 | \$4.30 | \$4.15 |
| | 1 Star | \$6.05 | \$4.30 | \$4.15 |
| | 2 Star | \$6.40 | \$4.65 | \$4.50 |
| | 3 Star | \$7.10 | \$5.35 | \$5.20 |
| | 4 Star | \$7.45 | \$5.70 | \$5.55 |
| | 5 Star | \$8.15 | \$6.40 | \$6.25 |
| Group and Family Homes | Base Rate (Blank Star) | \$4.85 | \$4.15 | \$4.00 |
| | 1 Star | \$4.85 | \$4.15 | \$4.00 |
| | 2 Star | \$5.20 | \$4.50 | \$4.35 |
| | 3 Star | \$5.90 | \$5.20 | \$5.05 |
| | 4 Star | \$6.25 | \$5.55 | \$5.40 |
| | 5 Star | \$6.95 | \$6.25 | \$6.10 |
| License Exempt Providers | Base Rate (Level 1) | \$2.45 | \$2.45 | \$2.45 |
| | Level 2 | \$4.20 | \$3.75 | \$3.75 |

If you have questions, please visit our website for updated information:
www.michigan.gov/childcare.

You may also contact the MDE-CDC program at 866-990-3227.

Thank you,

Lisa Brewer-Walraven, Director
Child Development and Care Program
Office of Great Start
Michigan Department of Education

Para ubicar esta carta en español, visite la sección para padres en el sitio web www.michigan.gov/childcare. La carta se llama "Aumento temporal de la tarifa para proveedores exentos de licencia".