



Michigan's Use of CRRSA Child Care Funding

Fact Sheet | March 2021

Michigan received **\$292 million** in supplemental CCDBG funding from the Coronavirus Response and Relief Supplemental Appropriations Act, passed in December 2020. This is in addition to **\$100 million** in supplemental CCDBG funding the state received in the CARES Act, passed in March 2020.

States were required to submit a plan for their use of CRRSA funds to the Department of Health and Human Services by February 26, 2021. On February 11, Michigan's State Budget Office released recommendations for CCDBG funding including three initiatives to help providers, and additional methods of supporting families. Michigan is one of [19 states](#) that requires legislative approval prior to spending any unanticipated funds, such as those from the CRRSA. The state plans to spend the entirety of its funding on the following projects.

Support for providers. The state is using \$17.4 million of its supplemental CCDBG allocation from the CRRSA to increase provider reimbursement rates for child care centers, group home providers, registered family homes, and unlicensed providers. The reimbursement rate increases for licensed providers range from \$0.30 an hour to \$0.60 depending on provider type, quality rating, and age of child. These enhancements represent a 10% increase in current reimbursement rates and will be permanent.

Beginning on April 1, 2021 and ending on December 31, 2021, the state will offer subsidy payments to providers based on enrollment rather than attendance.

Additionally, the state anticipates allocating \$55 million for a new grant opportunity that will be available to child care providers so that they can remain open to serve children and families. Though details were not immediately available, this fact sheet will be updated when additional information is published.

Support for families. To better support families, income eligibility will be increased from 130% of the federal poverty level, to 150% between January 1, 2021 through March 31, 2021; and, to 200% of the federal poverty from April 1, 2021 to September 30, 2021. Additionally, the state will cover the required copays for families starting April 1, 2021 and ending September 30, 2022. Together, these initiatives will make child care more affordable for families and expand enrollment in child care programs.

Additionally, mental health consultations will continue to be available to children and child care providers through fiscal year 2022. This opportunity is offered in collaboration with a network of infant and early childhood mental health consultants, which offers such services to child care providers.

Support for administrative costs. Funding will be used to cover the cost of temporary staff assistance and information technology needs for Michigan's Department of Education and Department of Health and Human Services.

More information available [here](#), including how the [state spent its CARES Act funding in 2020](#).