Understanding Family Contribution (FC) – License Exempt Provider

The Family Contribution (FC) amount is based on a family's income when the child is determined income eligible by Michigan Department of Health and Human Services (MDHHS). The FC amount is subtracted from the CDC Scholarship provider payment issued by the department (MiLEAP). The family may be responsible for paying this amount to the provider.

The Family Contribution (FC) amounts are per child, per two-week pay period, with a family maximum amount per two-week pay period. FC amounts can be found on the DHS-198 (Child Development and Care Provider Notice).

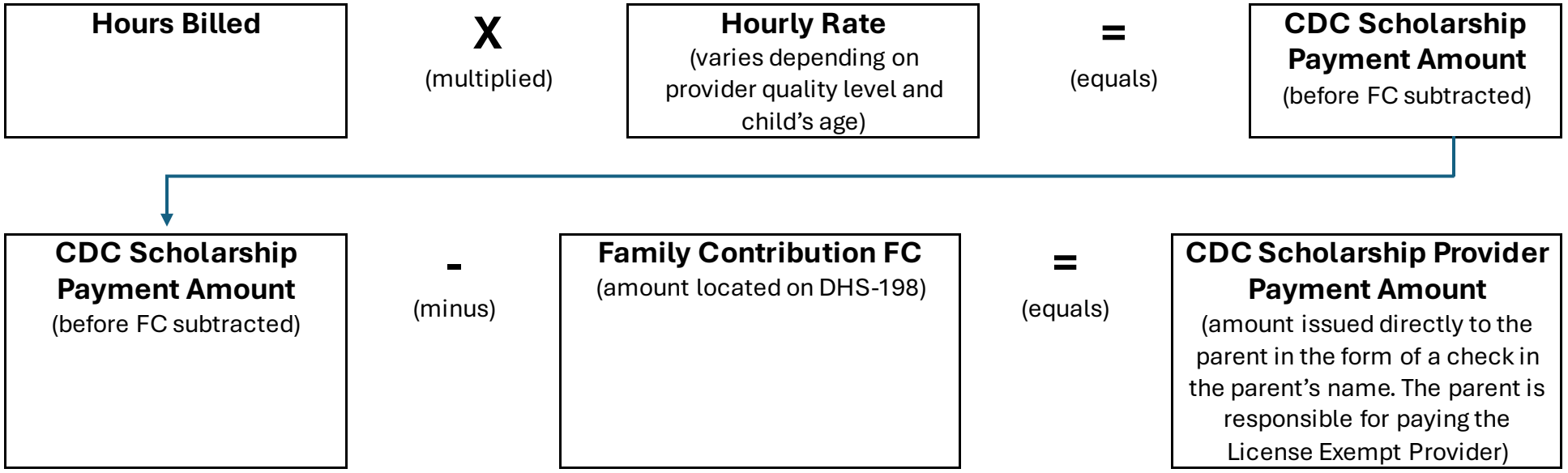
In the cases below, Family Contribution (FC) is waived (not subtracted from CDC Scholarship provider payment).

- Families who are receiving FIP/TANF
- Children in foster care
- Children experiencing homelessness or who are migrants
- Children with open child protective services (CPS) cases

For instances where FC is waived, the DHS-198 will reflect 0 as the amount.

Use the formula below to estimate CDC Scholarship Payment and Provider Payment amounts.

Review the example scenarios on the next page to get a better understanding of calculating FC.



EXAMPLES

Family Contribution (FC) Example 1 - Single Child

Provider Type: Licensed Exempt (Related/Unrelated)

Quality Level: Level 1

Current Hourly Rate: $2.95 (all ages)

Family Contribution: $15

Number of children: 1

- 90 hours (hours billed) X $2.95 (hourly rate) = $265.50 CDC Scholarship Payment amount before FC subtracted
- $265.50 - $15 (FC) = $250.50 (amount issued directly to the parent in the form of a check in the parent's name)
- The parent is responsible for paying the provider the $250.50 from the check issued directly to them PLUS an additional $15 for the FC = $265.50

Family Contribution (FC) Example 2 - Multiple Children

Provider Type: Licensed Exempt (Related/Unrelated)

Quality Level: Level 1

Current Hourly Rate: $2.95 (all ages)

Family Contribution: $15 per child (family maximum $45)

- 90 hours (hours billed) X $2.95 (hourly rate) = $265.50 CDC Scholarship Payment amount per child before FC subtracted
- $265.50 X 4 (number of children) = $1,062 CDC Scholarship Payment amount
- $1,062 -$45 (FC) = $1,017 (amount issued directly to the parent in the form of a check in the parent's name)
- The parent is responsible for paying the provider the $1,017 from the check issued directly to them PLUS an additional $45 for the FC = $1,062