

**FY 2024-25: LIFELONG EDUCATION, ADVANCEMENT,
AND POTENTIAL**
Summary: As Passed by the House
House Bill 5501 (H-1)



Analysts: Perry Zielak and Noel Benson

	FY 2023-24 Enacted as of 2/7/24	FY 2024-25 Executive	FY 2024-25 House	FY 2024-25 Senate	FY 2024-25 Conference	Difference: House From FY 2023-24 Enacted	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$	\$	\$0	NA
Federal	0	413,951,400	432,881,700			432,881,700	NA
Local	0	0	0			0	NA
Private	0	250,000	250,000			250,000	NA
Restricted	0	1,862,300	1,862,300			1,862,300	NA
GF/GP	0	160,921,700	183,984,900			183,984,900	NA
Gross	\$0	\$576,985,400	\$618,978,900	\$	\$	\$618,978,900	NA
FTEs	0.0	340.0	313.0			313.0	NA

Note: Appropriation figures for FY 2024-25 include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Lifelong Education, Advancement, and Potential (MiLEAP), created under Executive Order 2023-6, is responsible for administering and coordinating statewide education efforts outside of the K-12 school system, including child care, child care worker and facility licensing, early childhood education, out of school time, and higher education related programs. The department combines offices from the Department of Education, Department of Licensing and Regulatory Affairs, Department of Labor and Economic Opportunity, and the Department of Treasury to oversee these programs.

Major Budget Changes from FY 2023-24 Enacted Appropriations

1. Departmental Administration and Support

Executive provides \$8.7 million Gross (\$7.8 million GF/GP) and authorizes 30.0 classified and 6.0 unclassified FTE positions for departmental administration and support, including executive direction and operations and property management. House concurs.

	FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
FTE	0.0	36.0
Gross	\$0	\$8,691,900
Federal	0	911,200
GF/GP	\$0	\$7,780,700

2. Information Technology

Executive provides \$1.0 million Gross (\$767,800 GF/GP) for information technology services and projects. House concurs.

Gross	\$0	\$990,300
Federal	0	222,500
GF/GP	\$0	\$767,800

OFFICE OF EARLY CHILDHOOD EDUCATION

3. Child Development and Care Subsidy Transfer

Executive transfers in \$364.5 million Gross (\$50.8 million GF/GP) from the Michigan Department of Education (MDE) for the child development and care subsidy, which provides support for low-income and other qualifying families in need of child care to work or participate in training or educational activities. House concurs.

Gross	\$0	\$364,500,000
Federal	0	313,659,800
GF/GP	\$0	\$50,840,200

4. Child Care Provider Rate Increase

Executive provides \$37.9 million Gross (\$19.0 million GF/GP) to increase hourly child care provider reimbursement rates by 10%. House provides \$75.9 million Gross (\$37.9 million GF/GP) to increase hourly child care provide reimbursement rates by 20%.

Gross	\$0	\$75,854,800
Federal	0	37,927,400
GF/GP	\$0	\$37,927,400

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
Major Budget Changes from FY 2023-24 Enacted Appropriations			
5. Child Care Licensing Bureau Transfer	FTE	0.0	147.0
<u>Executive</u> transfers in \$25.0 million Gross (\$3.8 million GF/GP) and authorization for 147.0 FTE positions from the Department of Licensing and Regulatory Affairs (LARA) for the Child Care Licensing Bureau and additional licensing staff. <u>House</u> concurs.	Gross	\$0	\$24,986,500
	Federal	0	20,653,100
	Restricted	0	544,600
	GF/GP	\$0	\$3,788,800
6. Child Development and Care Contracted Services Transfer	Gross	\$0	\$18,900,000
<u>Executive</u> transfers in \$18.9 million Federal from MDE for the Early Childhood Investment Corporation, which administers child care quality initiatives, License Exempt Monitoring, and the T.E.A.C.H. Early Childhood Michigan Scholarship program for child care providers. <u>House</u> concurs.	Federal	0	18,900,000
	GF/GP	\$0	\$0
7. Office of Great Start Operations	FTE	0.0	70.0
<u>Executive</u> transfers in \$14.4 million Gross (\$2.5 million GF/GP) and authorization for 70.0 FTE positions from MDE for the operations for the Office of Great Start, which administers early childhood education programs for general and special education students and the child development and care public assistance programs. <u>House</u> concurs.	Gross	\$0	\$14,388,100
	Federal	0	11,597,100
	Private	0	250,000
	Restricted	0	64,600
	GF/GP	\$0	\$2,476,400
8. Child Development and Care External Support Transfer	Gross	\$0	\$11,028,100
<u>Executive</u> transfers in \$11.0 million Federal from MDE for an interdepartmental grant to the Michigan Department of Health and Human Services (DHHS) to support child development and care related activities, including program eligibility determinations and responding to administrative hearings. <u>House</u> concurs.	Federal	0	11,028,100
	GF/GP	\$0	\$0
9. Foster Care Child Care Provider Rate Increase	Gross	\$0	\$8,500,000
<u>Executive</u> provides \$8.5 million Federal to increase the child care provider reimbursement rate for children in foster care by 30%, with a goal of incentivizing services and supports for foster care children. <u>House</u> concurs.	Federal	0	8,500,000
	GF/GP	\$0	\$0
10. Child Care Facility Inspections	FTE	0.0	5.0
<u>Executive</u> provides \$4.8 million Federal and authorizes 30.0 FTE positions to increase staff support for child care facility inspections. <u>House</u> provides \$806,700 Federal and authorizes 5.0 FTE positions.	Gross	\$0	\$806,700
	Federal	0	806,700
	GF/GP	\$0	\$0
11. Family Child Care Networks	Gross	\$0	\$4,000,000
<u>Executive</u> provides \$4.0 million Federal to maintain family child care networks that provide support to home-based child care providers, such as language skills. The networks were originally funded using COVID-19 stimulus funds. <u>House</u> concurs.	Federal	0	4,000,000
	GF/GP	\$0	\$0
12. Third Shift Worker Child Care Pilot Program	Gross	\$0	\$4,366,000
<u>House</u> provides \$4.4 million Gross (\$366,000 GF/GP) for a pilot program that would expand child care providers for third shift workers.	Federal	0	4,000,000
	GF/GP	\$0	\$366,000
13. Tri-Share Child Care Program	Gross	\$0	\$3,400,000
<u>Executive</u> transfers in \$3.4 million GF/GP from LEO for the Tri-Share Child Care program, which helps partner private and public organizations to increase access to high-quality and affordable child care for working families. <u>House</u> concurs.	GF/GP	\$0	\$3,400,000
14. Tri-Share Child Care Program Administration	FTE	0.0	1.0
<u>Executive</u> provides \$176,500 GF/GP and authorizes 1.0 FTE position for the administration of the Tri-Share Child Care program. <u>House</u> concurs.	Gross	\$0	\$176,500
	GF/GP	\$0	\$176,500
15. Child Care Centers Drinking Water Quality	FTE	0.0	2.0
<u>Executive</u> provides \$500,000 GF/GP and authorizes 2.0 FTE positions to provide specialty water bottles to test the quality of drinking water at child care facilities. <u>House</u> concurs.	Gross	\$0	\$500,000
	GF/GP	\$0	\$500,000

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
Major Budget Changes from FY 2023-24 Enacted Appropriations			
16. Head Start Collaboration Office	FTE	0.0	1.0
<u>Executive</u> transfers in \$425,100 Gross (\$64,500 GF/GP) and authorization for 1.0 FTE position from MDE for the Head Start Collaboration Office, which coordinates between Head Start agencies and state and local entities that provide services for all low-income children from birth to age 5 and pregnant women. <u>House</u> concurs.	Gross	\$0	\$425,100
	Federal	0	360,600
	GF/GP	\$0	\$64,500
17. Child Care Development and Care Fund Federal Medical Assistance Percentage (FMAP) Rate Adjustment	Gross	\$0	\$0
<u>Executive</u> provides \$221,900 Federal with a corresponding decrease of GF/GP due to annual cost sharing adjustments from the FMAP rate increasing from 64.94% to 65.13%. <u>House</u> concurs.	Federal	0	221,900
	GF/GP	\$0	(\$221,900)
OFFICE OF EDUCATION PARTNERSHIPS			
18. Office of Education Partnerships Program Transfers	FTE	0.0	6.0
<u>Executive</u> transfers in \$1.1 million GF/GP and authorization for 6.0 FTE positions from MDE for the new Office of Education Partnerships to support the Family and Community Engagement program, the Governor's Educator Advisory Council, and the Michigan PreK-12 Literacy Commission. <u>House</u> concurs.	Gross	\$0	\$1,062,500
	GF/GP	\$0	\$1,062,500
19. Out-of-School Time Administration	FTE	0.0	0.0
<u>Executive</u> provides \$366,500 GF/GP and authorizes 2.0 FTE positions to provide support for the Michigan Out-of-School Time program in the School Aid budget, which provides grants for before and after school programs along with summer school activities. <u>House</u> does not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
OFFICE OF HIGHER EDUCATION			
20. Student Financial Assistance Program Transfers	FTE	0.0	33.0
<u>Executive</u> transfers in \$8.9 million Gross (\$7.7 million GF/GP) and authorization for 33.0 FTE positions from the Department of Treasury for the administration of student financial assistance programs, Dual Enrollment payments, and the Michigan Student Scholarship and Grants portal. <u>House</u> concurs.	Gross	\$0	\$8,924,600
	Restricted	0	1,253,100
	GF/GP	\$0	\$7,671,500
21. Michigan Reconnect Administration and Office of Higher Education Program Transfers	FTE	0.0	12.0
<u>Executive</u> transfers in \$3.3 million GF/GP and authorization for 12.0 FTE positions from LEO for the new Office of Higher Education to provide administrative support for the Sixty by 30 Initiative, Michigan Reconnect, and Future for Frontliners. <u>House</u> concurs.	Gross	\$0	\$3,276,000
	GF/GP	\$0	\$3,276,000
22. Michigan Reconnect Program Transfer	Gross	\$0	\$61,500,000
<u>House</u> transfers \$61.5 million GF/GP from the Michigan Department of Labor and Economic Opportunity (LEO) for the Michigan Reconnect Program. The program provides last-dollar scholarships primarily to individuals 25 or older (temporarily expanded to 21-24 year-olds through November 2024) with a high school diploma or equivalency certificate to complete a Pell-eligible associate degree or skills-based certificate.	GF/GP	\$0	\$61,500,000
23. Hunger-Free Campus Grant Pilot Program	Gross	\$0	\$500,000
<u>House</u> provides \$500,000 GF/GP for a 1-year pilot program at Michigan State University and Northern Michigan University to reduce hunger on campuses through establishment of campus food pantries, campus meal plan credit donations, and various additional policies.	GF/GP	\$0	\$500,000

	FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 House Change
<u>Major Budget Changes from FY 2023-24 Enacted Appropriations</u>		
ONE-TIME APPROPRIATIONS		
24. Michigan Center for Adult College Success	Gross	\$0
<u>House</u> provides \$2.1 million GF/GP one-time for operations costs for the Michigan Center for Adult College Success. The center works with adult students returning to postsecondary education through the Michigan Reconnect Program.	GF/GP	\$2,100,000
		\$0
25. Child Care Worker Subsidy Pilot Program	Gross	\$0
<u>Executive</u> provides \$60.0 million GF/GP one-time to create a 3-year pilot program to provide child care workers with child care related subsidies. <u>House</u> does not include.	GF/GP	\$0
		\$0
26. Economic Adjustments	Gross	NA
<u>Executive</u> reflects increased costs of \$101,800 Gross (\$8,500 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2024), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments <u>House</u> concurs. (Note: This item does not reflect all economics adjustments because some economics adjustments were applied to appropriations prior to the transfer to MiLEAP.)	Federal	NA
	GF/GP	NA
		\$101,800
		93,300
		\$8,500

Major Boilerplate Changes from FY 2023-24

STANDARD BOILERPLATE

Sec. 201. State Spending and Payments to Local Units of Government – NEW

Executive adds language that provides total state spending from state sources and payments to be made to local units of government. House concurs.

Sec. 202. Applicability of Management and Budget Act – NEW

Executive adds language that subjects appropriations to Management and Budget Act, 1984 PA 431. House concurs.

Sec. 203. Terms and Acronyms – NEW

Executive adds language that defines "Department," "DHHS," "Director," and "FTE" as they appear in the article. House adds definitions for "IDG" and "Standard report recipients."

Sec. 204. Internet Report Requirements – NEW

Executive adds language that requires MiLEAP to use internet to fulfill reporting requirements; requires transmission of reports via email. House concurs with minor revisions.

Sec. 205. Purchase of Foreign Goods – NEW

Executive adds language that prohibits purchase of foreign goods or services if competitively price and comparable quality American goods or services are available; gives preference to goods and services from Michigan businesses and Michigan businesses owned and operated by veterans. House concurs with minor revisions.

Sec. 206. Communication with the Legislature – NEW

House adds language that prohibits MiLEAP from taking disciplinary action against an employee for communicating with a legislator or staff.

Sec. 207. Out-of-State Travel – NEW

Executive adds language that requires MiLEAP to report on out-of-state travel expenses in the prior year that were paid for, in whole or in part, with state appropriations. House concurs with minor revisions.

Sec. 208. Hire of Outside Legal Counsel – NEW

House adds language that prohibits MiLEAP from hiring a person to provide legal services that are the responsibility of the Attorney General but exempts legal services for bonding or other activities authorized by the Attorney General.

Sec. 209. General Fund Lapse Report – NEW

Executive adds language that requires the State Budget Office to report on the projected year-end General Fund Lapse amounts by major departmental program area by December 15. House concurs with minor revisions.

Major Boilerplate Changes from FY 2023-24

Sec. 210. Contingency Authorization – NEW

Executive adds language that appropriates up to \$10.0 million in federal, \$5.0 million in state restricted, \$350,000 in local, and \$2.0 million in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items. House concurs with minor revisions.

Sec. 211. Department Financial Information Website – NEW

House adds language that requires MiLEAP to work with DTMB to maintain a searchable website accessible to the public at no cost, which includes expenditures by category; expenditures by appropriation unit; payments to vendors by vendor, date, amount, and description; the number of active employees by job classification; and job specifications and wage rates.

Sec. 212. Restricted Funds Report – NEW

House adds language that requires MiLEAP to work with the State Budget Office to provide a report to the legislature on estimated restricted fund revenues, expenditures, and fund balances for the prior two fiscal years.

Sec. 214. Access to State and Local Government Services – NEW

Executive adds language as section 211 that prohibits appropriated funds from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report any action or policy that interferes with the duties of the local health officer. House concurs but adds as section 214.

Sec. 215. Geographically Disadvantaged Business Enterprises – NEW

Executive adds language as section 206 that requires MiLEAP director to make an effort to contract with geographically disadvantaged business enterprises. House concurs with minor revisions but adds as section 215.

Sec. 216. FTE Report – NEW

Executive requires MiLEAP to submit quarterly reports containing FTE volumes and a comparison of actual and authorized FTE position counts. House concurs with minor revisions.

Sec. 217. Maximization of Workforce Efficiency and Prioritization of In-Person Work – NEW

House adds legislative intent language that MiLEAP maximize state workforce efficiency, prioritize in-person work and post its in-person, remote work, or hybrid policy on its website.

Sec. 219. Department Records Retention – NEW

House adds language that requires MiLEAP to retain all reports funded from appropriations according to federal and state guidelines for short-term and long-term retention of records.

Sec. 220. Department Policy Changes Made to Implement Public Acts Report – NEW

House adds language that requires MiLEAP to report by April 1 on each specific policy change made to implement a public act affecting MiLEAP that took effect during the prior calendar year.

Sec. 222. Expend Available Work Project Authorization – NEW

House adds language that prohibits appropriations from being expended until all existing work project authorization available for the same purpose is exhausted, to the extent possible.

OFFICE OF EDUCATION PARTNERSHIPS

Sec. 401. Family and Community Engagement – NEW

Executive adds language that requires MiLEAP to establish or partner with family engagement centers across the state to increase parent and guardian involvement in children's education, ensure translation and interpretation services are available, partner with intermediate school districts (ISDs) to distribute information and resources to their constituent districts, and develop an early literacy engagement plan. Transfers language with minor technical revisions from Sec. 1014 in MDE. House concurs.

OFFICE OF HIGHER EDUCATION

Sec. 705. Dual Enrollment Payments – NEW

Executive adds language that requires dual enrollment payments to be distributed as provided under the Postsecondary Enrollment Options Act, 1996 PA 160, and the Career and Technical Preparation Act, 2000 PA 258, as determined by the department. Transfers in language with minor technical revisions from Sec. 935 in Treasury. House concurs.

Sec. 706. Michigan Reconnect Program – NEW

House adds language that requires MiLEAP to implement a reporting structure for participating institutions on four-year completion rates for Reconnect students, annually report completion rates, establish various metrics for institutions based on 30%, 50% or 75% milestone completion rates, and place institutions who fail to improve on a probationary status, which would result in the need to create a corrective action plan and the potential for newly enrolled students not being eligible to receive Reconnect program funding.

Major Boilerplate Changes from FY 2023-24

Sec. 707. Hunger-Free Campus Grant Pilot Program – NEW

House adds language that states the purposes of the Hunger-Free Campus grant program, awards Michigan State University and Northern Michigan University \$250,000 of grant funding and requires the universities to establish a hunger task force, designate a staff member to inform students on supplemental nutrition assistance program (SNAP) enrollment opportunities, provide at least one campus food pantry, and develop a meal credit donation or food voucher program.

OFFICE OF EARLY CHILDHOOD EDUCATION

Sec. 1002. CDC Provider Reimbursement Rates – NEW

Executive requires MiLEAP to publish reimbursement rates on its website and the Great Start to Quality webpage. Allows MDE, with the approval of the state budget director, to receive and expend federal child care development block grant funds at risk of being lapsed back to the federal government. If the average caseload falls below the caseload agreement from the consensus revenue estimating conference for three consecutive months, allows MDE, with the approval of the state budget director, to increase the hourly reimbursement rate for child care providers. Transfers in language with minor technical revisions from MDE. House concurs but adds most of language originally located in Section 1004 related to CDC provider rate increases as additional subsections and increases child care provider reimbursement rates by 20%.

Sec. 1004. CDC Provider Rate Increase – NOT INCLUDED

Executive increases reimbursement rates for child care providers by 10% from the rates established in FY 2023-24. Requires MiLEAP to publish reimbursement rates on the department webpage and the Great Start to Quality webpage. House includes language as subsections under Section 1002 but increases child care provider reimbursement rates by 20%.

Sec. 1005. CDC Provider Rate Increase for Foster Care Youth – NEW

Executive increases reimbursement rates for child care providers by 30% from the rates established in Sec. 1004 for benefits paid for children in foster care. Requires MiLEAP to publish reimbursement rates on the department webpage and the Great Start to Quality webpage. House concurs.

Sec. 1007. CDC Annual Report – NEW

Executive requires MiLEAP to create an annual report to track the affordability, availability, health and safety, and quality of child care; actions taken to improve the quality, health, and safety of child care; the child care workforce; and total funding appropriated to contracts for the early childhood comprehensive systems planning during the previous fiscal year. Requires the report to be issued by April 1 of the current fiscal year reflecting data for the previous fiscal year. Transfers in language with revisions from Sec. 1007 and consolidates reporting requirements from Sec. 1003 in MDE. House concurs.

Sec. 1008. Home Visit Program Coordination – NEW

Executive requires MiLEAP to provide services to families for home visits and work with DHHS as necessary. Transfers in language with minor technical revisions from MDE. House concurs.

Sec. 1009. CDC Increase to Eligibility Entrance Threshold – NEW

Executive requires MiLEAP to set the entrance threshold for the CDC program to 200% of the federal poverty guidelines. Transfers in language from MDE. House concurs.

Sec. 1011. CDC Payments Based on Enrollment – NEW

Executive requires MiLEAP to implement payments to providers based on enrollment rather than attendance. Transfers in language from MDE. House concurs.

Sec. 1012. CDC Provider Rate Increase – NEW

Executive requires MiLEAP to work in collaboration with DHHS to continue the network of infant and early childhood mental health consultation, which provides mental health consultation to child care providers; requires \$3.0 million to be used for this purpose. Transfers in language from MDE. House concurs.

Sec. 1015. Third Shift Worker Child Care Pilot Program – NEW

House adds language that establishes program eligibility for third shift workers and child care centers looking to expand or establish overnight child care; creates grant application criteria for MiLEAP when awarding grants.

Sec. 1030. Administration of Tri-Share Program – NEW

Executive requires funding to be used to continue the Tri-Share Child Care program; allows funding of new child care facilitator hubs provided that existing hubs receive sufficient support; requires new hubs to increase the number of participating counties or serve statewide employers; caps administration costs at \$200,000. Transfers in language with minor technical revisions from Sec. 701 in LEO. House concurs.

Major Boilerplate Changes from FY 2023-24

Sec. 1040. Child Care Licensing Bureau Report – NEW

House adds language that requires the child care licensing bureau to report on a number of metrics around regulatory revenue and expenses; information on licenses received, approved, denied, and renewed; complaints received, investigated, and closed; and enforcement actions taken against licenses.

Sec. 1101. Child Care Worker Benefits – NOT INCLUDED

Executive requires funds to be used to implement a pilot program to provide child care benefits to employees working in licensed child care programs under the CDC program. Prohibits children in care at a home-based provider where the owner of the provider is the parent or guardian of the child from receiving benefits under this program. Caps the amount of hours in a biweekly period that the child is eligible for at no greater than the number of hours the child care worker works in the same biweekly period. Provides for a work project appropriation through September 30, 2027. House does not include.

Sec. 1102. Michigan Center for Adult College Success – NEW

House adds language that states the center shall use the one-time funding to continue to improve adult postsecondary enrollment through the Michigan Reconnect program.