

**SUBSTITUTE FOR  
SENATE BILL NO. 164**

A bill to make appropriations for the department of lifelong education, advancement, and potential for the fiscal year ending September 30, 2026; and to provide for the expenditure of the appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of lifelong education, advancement, and potential for the fiscal year ending September 30, 2026, from the following funds:

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**DEPARTMENT OF LIFELONG EDUCATION, ADVANCEMENT,  
AND POTENTIAL**

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**APPROPRIATION SUMMARY**

1	Full-time equated unclassified positions	6.0	
2	Full-time equated exempted positions	348.0	
3	<b>GROSS APPROPRIATION</b>		<b>\$ 756,217,000</b>
4	<b>ADJUSTED GROSS APPROPRIATION</b>		<b>\$ 756,217,000</b>
5	Total federal revenues:		506,428,200
6	Total private revenues		1,000,000
7	Total other state restricted revenues		1,880,000
8	<b>State general fund/general purpose</b>		<b>\$ 246,908,800</b>
9	<b>Sec. 102. DEPARTMENTAL ADMINISTRATION AND</b>		
10	<b>SUPPORT</b>		
11	Full-time equated unclassified positions	6.0	
12	Full-time equated classified positions	38.0	
13	Unclassified salaries--FTEs	6.0	\$ 1,029,500
14	Executive direction and operations--FTEs	38.0	7,852,200
15	Property management		268,800
16	Worker's compensation		3,000
17	<b>GROSS APPROPRIATION</b>		<b>\$ 9,153,500</b>
18	Appropriated from:		
19	Federal revenues:		
20	Total federal revenues		1,027,700
21	<b>State general fund/general purpose</b>		<b>\$ 8,125,800</b>
22	<b>Sec. 103. INFORMATION TECHNOLOGY</b>		
23	Information technology services and projects		\$ 1,004,100
24	<b>GROSS APPROPRIATION</b>		<b>\$ 1,004,100</b>
25	Appropriated from:		
26	Federal revenues:		
27	Total federal revenues		223,700
28	<b>State general fund/general purpose</b>		<b>\$ 780,400</b>

1	<b>Sec. 104. OFFICE OF EARLY CHILDHOOD EDUCATION</b>		
2	Full-time equated classified positions	244.0	
3	Child care licensing and regulation--FTEs	172.0	\$ 30,237,600
4	Child development and care contracted services		22,900,000
5	Child development and care external support		11,028,800
6	Child development and care public assistance		585,035,800
7	Head start collaboration office--FTE	1.0	426,600
8	Office of great start operations--FTEs	71.0	17,818,500
9	Tri-share child care program		3,400,000
10	<b>GROSS APPROPRIATION</b>		<b>\$ 670,847,300</b>
11	Appropriated from:		
12	Federal revenues:		
13	Federal funds		505,176,800
14	Total federal revenues		505,176,800
15	Special revenue funds:		
16	Private foundations		1,000,000
17	Certification fees		64,600
18	Child care home and center licenses fund		501,700
19	<b>State general fund/general purpose</b>		<b>\$ 164,104,200</b>
20	<b>Sec. 105. OFFICE OF EDUCATION PARTNERSHIPS</b>		
21	Full-time equated classified positions	15.0	
22	Before and after school administration--FTEs	2.0	\$ 371,200
23	Camp licensing unit--FTEs	7.0	700,300
24	Family and community engagement--FTEs	6.0	2,383,200
25	<b>GROSS APPROPRIATION</b>		<b>\$ 3,454,700</b>
26	Appropriated from:		
27	Total other state restricted revenues		42,900
28	<b>State general fund/general purpose</b>		<b>\$ 3,411,800</b>

**Sec. 106. OFFICE OF HIGHER EDUCATION**

Full-time equated classified positions	51.0		
Michigan Indian tuition waiver--FTE	1.0	\$	159,700
Reenrollment recruitment			2,000,000
Student financial assistance programs--FTEs	50.0		9,597,700
<b>GROSS APPROPRIATION</b>		<b>\$</b>	<b>11,757,400</b>

Appropriated from:

Special revenue funds:

Michigan merit award trust fund			1,270,800
<b>State general fund/general purpose</b>		<b>\$</b>	<b>10,486,600</b>

**Sec. 107. ONE-TIME APPROPRIATIONS**

Child development and care public assistance		\$	40,000,000
College success fund and student wraparound supports			16,000,000
Dual enrollment task force			10,000
Expansion grants			3,990,000
<b>GROSS APPROPRIATION</b>		<b>\$</b>	<b>60,000,000</b>

Appropriated from:

<b>State general fund/general purpose</b>		<b>\$</b>	<b>60,000,000</b>
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## PART 2

## PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2025-2026

**GENERAL SECTIONS**

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2026, total state spending under part 1 from state sources is \$248,788,800.00 and state spending under part 1 from state sources to be paid to local units of government is \$8,500,000.00. The

following itemized statement identifies appropriations from which  
 spending to local units of government will occur:

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**DEPARTMENT OF LIFELONG EDUCATION, ADVANCEMENT,  
 AND POTENTIAL**

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College success fund and student wraparound supports	\$ 8,500,000
TOTAL	\$ 8,500,000

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Sec. 202. The appropriations under this part and part 1 are  
 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
 to 18.1594.

Sec. 203. As used in this part and part 1:

(a) "Department" means the department of lifelong education,  
 advancement, and potential.

(b) "DHHS" means the Michigan department of health and human  
 services.

(c) "Director" means the director of the department.

(d) "FTE" means full-time equated.

(e) "IDG" means interdepartmental grant.

(f) "Standard report recipients" means the senate and house  
 appropriations subcommittees on the department, the senate and  
 house fiscal agencies, the senate and house policy offices, and the  
 state budget office.

(g) "Task force" means the dual enrollment task force created  
 under section 1103.

Sec. 204. A department or agency shall use the internet to  
 fulfill the reporting requirements of this part. This requirement  
 includes transmitting reports to the standard report recipients and  
 any other required recipients by email and posting the reports on  
 an internet site.

1           Sec. 205. To the extent permissible under section 261 of the  
2 management and budget act, 1984 PA 431, MCL 18.1261, all of the  
3 following apply to the expenditure of funds appropriated in part 1:

4           (a) The funds must not be used for the purchase of foreign  
5 goods or services, or both, if competitively priced and of  
6 comparable quality American goods or services, or both, are  
7 available.

8           (b) Preference must be given to goods or services, or both,  
9 manufactured or provided by Michigan businesses, if they are  
10 competitively priced and of comparable quality.

11           (c) Preference must be given to goods or services, or both,  
12 that are manufactured or provided by Michigan businesses owned and  
13 operated by veterans, if they are competitively priced and of  
14 comparable quality.

15           (d) Preference must be given to goods or services, or both,  
16 that are manufactured in facilities that employ union members.

17           Sec. 206. The department shall not take disciplinary action  
18 against an employee of the department for communicating with a  
19 member of the legislature or legislative staff, unless the  
20 communication is prohibited by law and the department is exercising  
21 its authority as provided by law.

22           Sec. 207. Consistent with section 217 of the management and  
23 budget act, 1984 PA 431, MCL 18.1217, the department shall prepare  
24 a report on out-of-state travel expenses not later than January 1.  
25 The report must list all travel by classified and unclassified  
26 employees outside this state in the previous fiscal year that was  
27 funded in whole or in part with funds appropriated in the  
28 department's budget. The department shall submit the report to the  
29 standard report recipients and to the senate and house

1 appropriations committees. The report must include all of the  
2 following information:

3 (a) The dates of each travel occurrence.

4 (b) The total transportation and related expenses of each  
5 travel occurrence and the proportions funded with state general  
6 fund/general purpose revenues, state restricted revenues, federal  
7 revenues, and other revenues.

8 Sec. 208. A principal executive department, state agency, or  
9 authority shall not use funds appropriated in part 1 to hire a  
10 person to provide legal services that are the responsibility of the  
11 attorney general. This section does not apply to legal services for  
12 bonding activities or to outside legal services that the attorney  
13 general authorizes.

14 Sec. 209. Not later than December 15, the state budget office  
15 shall prepare and submit a report that provides estimates of the  
16 total general fund/general purpose appropriation lapses at the  
17 close of the previous fiscal year. The report must summarize the  
18 projected year-end general fund/general purpose appropriation  
19 lapses by major departmental program or program areas. The state  
20 budget office shall submit the report to the standard report  
21 recipients and to the chairpersons of the senate and house  
22 appropriations committees.

23 Sec. 210. (1) In addition to the funds appropriated in part 1,  
24 there is appropriated an amount not to exceed \$10,000,000.00 for  
25 federal contingency authorization. Amounts appropriated under this  
26 subsection are not available for expenditure until they have been  
27 transferred to another line item in part 1 under section 393(2) of  
28 the management and budget act, 1984 PA 431, MCL 18.1393.

29 (2) In addition to the funds appropriated in part 1, there is

1 appropriated an amount not to exceed \$500,000.00 for state  
2 restricted contingency authorization. Amounts appropriated under  
3 this subsection are not available for expenditure until they have  
4 been transferred to another line item in part 1 under section  
5 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

6 (3) In addition to the funds appropriated in part 1, there is  
7 appropriated an amount not to exceed \$350,000.00 for local  
8 contingency authorization. Amounts appropriated under this  
9 subsection are not available for expenditure until they have been  
10 transferred to another line item in part 1 under section 393(2) of  
11 the management and budget act, 1984 PA 431, MCL 18.1393.

12 (4) In addition to the funds appropriated in part 1, there is  
13 appropriated an amount not to exceed \$2,000,000.00 for private  
14 contingency authorization. Amounts appropriated under this  
15 subsection are not available for expenditure until they have been  
16 transferred to another line item in part 1 under section 393(2) of  
17 the management and budget act, 1984 PA 431, MCL 18.1393.

18 Sec. 211. The department shall cooperate with the department  
19 of technology, management, and budget to maintain a searchable  
20 website accessible by the public at no cost that includes, but is  
21 not limited to, all of the following for the department:

22 (a) Fiscal year-to-date expenditures by category.

23 (b) Fiscal year-to-date expenditures by appropriation unit.

24 (c) Fiscal year-to-date payments to a selected vendor,  
25 including the vendor name, payment date, payment amount, and  
26 payment description.

27 (d) The number of active department employees by job  
28 classification.

29 (e) Job specifications and wage rates.



1           Sec. 212. Not later than 14 days after the release of the  
2 executive budget recommendation, the department shall cooperate  
3 with the state budget office to provide an annual report on  
4 estimated state restricted fund balances, state restricted fund  
5 projected revenues, and state restricted fund expenditures for the  
6 previous 2 fiscal years. The report must be submitted to the  
7 standard report recipients and to the chairpersons of the senate  
8 and house appropriations committees.

9           Sec. 213. (1) Except as otherwise provided in this part, all  
10 reports required under this part must be submitted to the standard  
11 report recipients.

12           (2) For each report listed on the department's website, the  
13 department shall provide a reference to each statutory or  
14 appropriations bill section and, if applicable, subsection where  
15 that report is required.

16           (3) In addition to the reporting requirements in section 204  
17 and this section, the department shall compile, post, and maintain  
18 all required reports on an easily accessible page of the  
19 department's website.

20           Sec. 215. To the extent permissible under the management and  
21 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall  
22 take all reasonable steps to ensure geographically-disadvantaged  
23 business enterprises compete for and perform contracts to provide  
24 services or supplies, or both. The director shall strongly  
25 encourage firms with which the department contracts to subcontract  
26 with certified geographically-disadvantaged business enterprises  
27 for services, supplies, or both. As used in this section,  
28 "geographically-disadvantaged business enterprises" means that term  
29 as defined in Executive Directive No. 2023-1.

1           Sec. 216. On a quarterly basis, the department shall report on  
2 the number of full-time equated positions in pay status by civil  
3 service classification, including a comparison by line item of the  
4 number of full-time equated positions authorized from funds  
5 appropriated in part 1 to the actual number of full-time equated  
6 positions employed by the department at the end of the reporting  
7 period. The report must be submitted to the senate and house  
8 appropriations committees and to the standard report recipients.

9           Sec. 218. The department shall receive and retain copies of  
10 all reports funded from appropriations in part 1. The department  
11 shall follow federal and state guidelines for short-term and long-  
12 term retention of records. The department may electronically retain  
13 copies of reports unless otherwise required by federal and state  
14 guidelines.

15           Sec. 219. Not later than April 1, the department shall report  
16 on each specific policy change made to implement a public act  
17 affecting the department that took effect during the previous  
18 calendar year. The department shall submit the report to the  
19 standard report recipients, to the senate and house appropriations  
20 committees, and to the joint committee on administrative rules.

21           Sec. 221. (1) Funds appropriated in part 1 must not be used to  
22 restrict or impede a marginalized community's access to government  
23 resources, programs, or facilities.

24           (2) From the funds appropriated in part 1, local governments  
25 shall report any action or policy that attempts to restrict or  
26 interfere with the duties of the local health officer.

27           Sec. 222. To the extent possible, the department shall not  
28 expend appropriations under part 1 until all existing authorized  
29 work project funds available for the same purposes are exhausted.

1           Sec. 223. (1) General fund appropriations in part 1 must not  
2 be expended for items if federal funding or private grant funding  
3 is available for the same expenditures.

4           (2) If the department is required to make a reduction in  
5 expenditures under section 395(1) or (2) of the management and  
6 budget act, 1984 PA 431, MCL 18.1395, for any appropriations under  
7 this part or part 1, the department must notify the standard report  
8 recipients not later than 10 days after the reduction. The  
9 notification must include, but not be limited to, the following:

10           (a) A description of the fund source that is insufficient to  
11 support the expenditures being reduced and the amount of the  
12 reduction.

13           (b) A description of the cause for the reduction, if any such  
14 cause is shown.

15           (c) A description of the functions of state government or  
16 services to residents that will be affected by the reduction.

17           Sec. 224. (1) For any grant program or project funded in part  
18 1 intended for a single recipient organization or unit of local  
19 government, the grant program or project is for a public purpose  
20 and the department shall follow procurement statutes of this state,  
21 including any bidding requirements, unless the department can fully  
22 validate, through information detailed in this part or public  
23 supporting documents, both of the following:

24           (a) The specific organization or unit of local government that  
25 will receive or administer the funds.

26           (b) How the funds will be administered and expended.

27           (2) To be eligible to receive a grant described in subsection  
28 (1), both of the following must occur:

29           (a) A recipient must submit the application under subsection

1 (3) not later than 60 days after the effective date of this act.

2 (b) A recipient must be 1 of the following:

3 (i) A unit of local government, as that term is defined in  
4 section 115 of the management and budget act, 1984 PA 431, MCL  
5 18.1115.

6 (ii) An institution of higher education.

7 (iii) A state agency, as that term is defined in section 115 of  
8 the management and budget act, 1984 PA 431, MCL 18.1115.

9 (iv) An entity registered with the department of licensing and  
10 regulatory affairs or the department of attorney general that has  
11 been in existence for at least the 12 months preceding the  
12 effective date of this act.

13 (v) Another entity that can demonstrate, through state or  
14 federal tax filings or other state or federal government records,  
15 that it has been in existence for at least the 12 months preceding  
16 the effective date of this act.

17 (3) Notwithstanding any other conditions or requirements for  
18 direct appropriation grants, the department shall work with the  
19 state budget office to perform at least all of the following  
20 activities to administer the grants described in subsection (1):

21 (a) Develop a standard application process using the  
22 electronic submission portal developed by the state budget office,  
23 grantee reporting requirements, and any other necessary  
24 documentation, including sponsorship information as specified under  
25 subsection (4). If the electronic submission portal identified in  
26 this subdivision is not fully functional by 60 days after the  
27 effective date of this act, the state budget office shall ensure  
28 that the standard application process and form are available  
29 promptly and paper submission is acceptable. The state budget

1 office shall promptly submit application material received to the  
2 department for departmental review.

3 (b) Establish a process to review, complete, and execute a  
4 grant agreement with a grant recipient. The department shall not  
5 execute a grant agreement unless all necessary documentation has  
6 been submitted and reviewed.

7 (c) Verify to the extent possible that a grant recipient will  
8 use funds for a public purpose that serves the economic prosperity,  
9 health, safety, or general welfare of the residents of this state.

10 (d) Review and verify all necessary information to ensure the  
11 grant recipient is reasonably able to execute the grant agreement,  
12 perform its fiduciary duty, and comply with all applicable state  
13 and federal statutes. The department may deduct the cost of  
14 background checks and any other efforts performed as part of this  
15 verification from the amount of the designated grant award.

16 (e) Establish a standard timeline to review all documents  
17 submitted by grant recipients and provide a response within 45  
18 business days stating whether submitted documents by a grant  
19 recipient are sufficient or in need of additional information. If  
20 additional information is needed, the 60-day deadline in subsection  
21 (2) is considered to have been met if a sponsor has been identified  
22 for that grant. If a grant recipient does not provide information  
23 sufficient to execute a grant agreement not later than 60 days  
24 after being notified by the department of grant approval, the  
25 department shall return funds associated with the grant to the  
26 state treasury.

27 (f) Make an initial disbursement of up to 50% of the grant to  
28 the grant recipient not later than 60 days after a grant agreement  
29 has been executed. Disbursements must be consistent with part II,

1 chapter 10, section 200 of the Financial Management Guide.

2 (g) Disburse the funds remaining after the initial  
3 disbursement under subdivision (f) per the grant disbursement  
4 schedule in the executed grant agreement on a reimbursement basis  
5 after the grantee has provided sufficient documentation, as  
6 determined by the department, to verify that expenditures were made  
7 in accordance with the project purpose.

8 (4) The process for the identification and sponsorship of a  
9 grant described in subsection (1) is as follows:

10 (a) Not later than the effective date of this act, the state  
11 budget office shall provide an initial list of grants that require  
12 legislative sponsorship to the legislature and shall make public an  
13 initial list of grants that likely will be sponsored by the  
14 department or by the state budget office.

15 (b) A sponsor of a grant described in subsection (1) must be a  
16 legislator, the department, or the state budget office.

17 (c) A legislative sponsor must be identified through a letter  
18 submitted by that legislator's office to the department and state  
19 budget director containing the name of the grant recipient, the  
20 intended amount of the grant, a certification from that legislator  
21 that the grant is for a public purpose, and specific citation of  
22 the section and subsection of the public act that authorizes the  
23 grant, as applicable.

24 (d) Within 10 business days after the effective date of this  
25 act, the senate and house of representatives shall compile an  
26 initial list of legislative grant sponsors for their respective  
27 chambers and submit those compiled lists to the state budget office  
28 and the department, and the state budget office shall identify  
29 department- or state budget office-sponsored grants. The state

1 budget director may grant an extension of this deadline of not more  
2 than 30 days on a case-by-case basis. The state budget office shall  
3 make the compiled lists public within 14 business days after the  
4 effective date of this act.

5 (e) Not later than 60 days after the effective date of this  
6 act, the state budget office shall publish a final list of grants  
7 requiring sponsorship. If a legislative sponsor is not identified  
8 within 60 days after the effective date of this act, the department  
9 shall do 1 of the following:

10 (i) Identify the department or the state budget office as the  
11 sponsor.

12 (ii) Decline to execute the grant agreement and lapse the  
13 associated funds at the end of the fiscal year.

14 (f) At any point during the fiscal year, legislative grant  
15 sponsors may be added to a grant request.

16 (5) An executed grant agreement under this section between the  
17 department and a grant recipient must include at least all of the  
18 following:

19 (a) All necessary identifying information for the grant  
20 recipient, including any tax and financial information for the  
21 department to administer funds under this section.

22 (b) A description of the project for which the grant funds  
23 will be expended, including tentative timelines and the estimated  
24 budget. The department shall not reimburse expenditures that are  
25 outside of the project purpose, as stated in the executed grant  
26 agreement, from appropriations in part 1. The grantee shall return  
27 to the treasury any interest in excess of \$1,000.00 earned on the  
28 grant funds while unexpended and in possession of the grantee.

29 (c) Unless otherwise specified in department policy, a

1 requirement that funds appropriated for the grants described in  
2 subsection (1) may be used only for expenditures that occur on or  
3 after the effective date of this act.

4 (d) A requirement for reporting by the grant recipient to the  
5 department and the legislative sponsor that provides the status of  
6 the project and an accounting of all funds expended by the grant  
7 recipient, as determined by the department.

8 (e) A claw-back provision that allows the department of  
9 treasury to recoup or otherwise collect any funds that are  
10 declined, unspent, or otherwise misused.

11 (f) The signed legislative sponsorship letter required under  
12 subsection (4), incorporated into the grant agreement and included  
13 as an appendix or attachment.

14 (g) If a grant recipient has provided information sufficient  
15 to execute a grant agreement, the state budget office shall  
16 promptly transmit that information to the department for the  
17 department's review of the grant application. If a grant recipient  
18 has provided information sufficient to execute a grant agreement  
19 within 60 days after the effective date of this act, but the grant  
20 application needs technical fixes or additional legislative action,  
21 as identified by the state budget office, the 60-day deadline in  
22 this subdivision is considered to have been met if a sponsor has  
23 been identified for that grant. If a grant recipient does not  
24 provide information sufficient to execute a grant agreement not  
25 later than 60 days after being notified by the department of grant  
26 approval, the department shall return funds associated with the  
27 grant to the state treasury.

28 (6) If appropriate to improve the administration or oversight  
29 of a grant described in subsection (1), the department may adopt a



1 memorandum of understanding with another state department to  
2 perform the required duties under this section.

3 (7) A grant recipient shall respond to all reasonable  
4 information requests from the department related to grant  
5 expenditures and retain grant records for not less than 7 years,  
6 and the grant may be subject to monitoring, site visits, and audits  
7 as determined by the department. The grant agreement required under  
8 this section must include signed assurance by the chief executive  
9 officer or other executive officer of the grant recipient that the  
10 requirements of this subsection will be met.

11 (8) The grant recipient shall expend all funds awarded and  
12 complete all projects not later than September 30, 2030. If at that  
13 time any unexpended funds remain, the grant recipient shall return  
14 those funds to the state treasury.

15 (9) Any funds that are granted to a state department are  
16 appropriated in that department for the purpose of the intended  
17 grant.

18 (10) The state budget director may, on a case-by-case basis,  
19 extend the deadline in subsection (8) on request by a grant  
20 recipient if a sponsor has been identified for the grant. The state  
21 budget director shall notify the chairs of the senate and house of  
22 representatives appropriations committees not later than 5 days  
23 after an extension is granted.

24 (11) By March 1 of the current fiscal year, the state budget  
25 office shall post a report in a publicly accessible location on its  
26 website. The report must list the grant recipient, project purpose,  
27 and location of the project for each grant described in subsection  
28 (1), the status of funds allocated and disbursed under the grant  
29 agreement, and the legislative sponsor, if applicable. After March

1 1, the state budget office shall update the report monthly and  
2 shall post the updated report each month. The state budget office  
3 shall include in the report the most comprehensive information the  
4 office has available at the time of posting for grants awarded. The  
5 state budget office may compile the information required in this  
6 report across all departments. The department shall assist the  
7 state budget office with the compilation of the report required  
8 under this subsection.

9 (12) On request, beginning 75 days after the effective date of  
10 this act, the state budget office shall release information  
11 received for grant applications.

12 (13) As applicable, the legislative sponsor of a grant  
13 described in subsection (1) shall not sponsor a grant, or ask  
14 another legislator to sponsor a grant, if there is a conflict of  
15 interest related to the grant recipient.

16 (14) If the department reasonably determines that the funds  
17 allocated for an executed grant agreement under this section were  
18 misused or that use of the funds was misrepresented by the grant  
19 recipient, the department shall not award any additional funds  
20 under the executed grant agreement and shall refer the grant for  
21 review following internal audit protocols.

22 Sec. 225. (1) Within 10 days after the effective date of this  
23 act, the department must provide a report to the standard report  
24 recipients containing the following information:

25 (a) A list of any sections in this act that the department  
26 determines to be unenforceable, with a detailed legal rationale for  
27 those determinations, as applicable.

28 (b) If a determination under subdivision (a) would affect the  
29 operations of a program or programs within the department, the

1 department must report the estimated difference in cost between the  
2 policy outlined in the section determined to be unenforceable and  
3 the policy the department intends to pursue.

4 (2) The department may coordinate with the executive office of  
5 the governor or other state departments or agencies to compile a  
6 statewide report for any departments or agencies required to submit  
7 a report substantially similar to the report described under  
8 subsection (1).

9 Sec. 226. The department must provide a quarterly report to  
10 the standard report recipients detailing federal policy changes  
11 that do, or are expected to do, any of the following:

12 (a) Affect the operations of the department.

13 (b) Affect an industry, community, population, or other group  
14 regulated or served by, or that otherwise engages with, the  
15 department.

16 (c) Affect regulations that currently protect the public to  
17 the extent that the regulations affect an industry, community,  
18 population, or other group regulated or served by, or that  
19 otherwise engages with, the department.

20 (d) Create a regulatory gap that could negatively impact the  
21 public.

22 Sec. 228. The state budget director shall take steps to ensure  
23 that all state fiscal recovery funds allocated to this state under  
24 the American rescue plan act of 2021, Public Law 117-2, are  
25 expended by December 31, 2026, as required by law. A department or  
26 agency receiving an appropriation under this part or part 1 must  
27 notify the standard report recipients if an appropriation of funds  
28 described under this section is projected to lapse.

29

**OFFICE OF EDUCATION PARTNERSHIPS**

Sec. 401. From the funds appropriated in part 1 for family and community engagement, the department shall, at a minimum, do all of the following:

(a) Establish or partner with family engagement centers across this state to increase parent and guardian involvement in their child's education.

(b) Ensure translation and interpretation services are available and implemented pursuant to department guidance.

(c) Partner with intermediate school districts to assist in getting information and resources to their constituent districts.

(d) Develop an early literacy engagement plan to help parents or guardians become involved in their child's education.

**OFFICE OF HIGHER EDUCATION**

Sec. 701. (1) From the funds appropriated in part 1, in addition to other statutorily required duties, the department shall do all of the following:

(a) Review and evaluate all state financial aid programs. The department shall prioritize improving postsecondary educational outcomes, including student completion rates, and improving affordability of postsecondary programs in this state.

(b) Serve as the coordinating office for all agencies of the executive branch of government that are responsible for financial aid programs administered by this state.

(c) Survey stakeholders, including public, tribal, and private not-for-profit colleges and universities, state departments and agencies, and statewide postsecondary education associations on student financial aid policy to improve this state's administration

1 of programs.

2 (d) Collaborate with the center for educational performance  
3 and information and individual colleges and universities to ensure  
4 streamlined and coordinated collection of data analyzing the  
5 following:

6 (i) Postsecondary education costs, including a comparison to  
7 national and regional averages.

8 (ii) Student enrollment.

9 (iii) Degree completion.

10 (e) Provide access to higher education institutional data  
11 inventory on an accessible, public facing dashboard to assist  
12 students, prospective students, and their families in making  
13 decisions on postsecondary education.

14 (f) Coordinate with other state agencies and school districts  
15 to increase utilization and awareness of postsecondary  
16 opportunities, including, but not limited to, early and middle  
17 college, dual enrollment, and private skills training scholarships.

18 (g) Promote, track, and provide resources to increase  
19 completion of the free application for federal student aid.

20 (2) From the funds appropriated in part 1, the department  
21 shall meet, at a minimum, the following transparency requirements:

22 (a) Collect data necessary to complete all statutory reporting  
23 requirements. The department shall notify the chairs of the house  
24 and senate appropriations committees within 10 days if an entity  
25 receiving funds from part 1 fails to comply with data collection  
26 requirements.

27 (b) Maintain a link on the department's website to find data  
28 submitted by postsecondary institutions through higher education  
29 institutional data inventory.

1 (c) Maintain a link on the department's website to the center  
2 for educational performance and information's MI School Data page  
3 on postsecondary enrollment and completion tracking.

4 (3) As used in this section, "center for educational  
5 performance and information" means the center for educational  
6 performance and information created in section 94a of the state  
7 school aid act of 1979, 1979 PA 94, MCL 388.1694a.

8 Sec. 703. From the funds appropriated in part 1 for  
9 reenrollment recruitment, the department shall prioritize  
10 reenrollment of college stop-outs. If necessary, the department may  
11 contract with private organizations for an amount up to  
12 \$2,000,000.00 to accomplish the purpose of this section.

13  
14 **OFFICE OF EARLY CHILDHOOD EDUCATION**

15 Sec. 1002. (1) From the funds appropriated in part 1, the  
16 department shall ensure that the final child development and care  
17 provider reimbursement rates are published on the department and  
18 Great Start to Quality webpages.

19 (2) In addition to the funds appropriated in part 1, upon  
20 receiving approval from the state budget director, the department  
21 may receive and expend federal child care development block grant  
22 funds at risk of being lapsed back to the federal government. The  
23 department may do this only if all of the following criteria are  
24 met:

25 (a) The funds are at risk of being lapsed by the end of the  
26 current fiscal year.

27 (b) The department plans to expend the funds through a 1-time  
28 rate increase to providers.

29 (c) The department makes this request to the state budget

1 director not less than 30 days before the expenditure of the funds.

2 (3) If the average cases over a 3-month period in the child  
3 development and care program result in the projected fiscal year  
4 2025-2026 caseloads falling below the caseload agreement from the  
5 May consensus revenue estimating conference, the department may  
6 increase the hourly reimbursement rate to child care providers if  
7 the following conditions are met:

8 (a) The level of expenditures for the remainder of the year is  
9 estimated to be significantly below the level estimated from the  
10 May consensus revenue estimating conference.

11 (b) The department plans to expend the funds through an  
12 ongoing rate increase to providers for the remainder of the fiscal  
13 year.

14 (c) The department makes this request to the state budget  
15 director not less than 30 days before the expenditure of the funds  
16 that includes the rate increase.

17 (4) Upon receiving approval from the state budget director  
18 under subsection (2) or (3), the department must notify the senate  
19 and house fiscal agencies of the amount being appropriated, the  
20 estimated rate increase to providers, and if the rate increase to  
21 providers is 1-time or ongoing in nature.

22 (5) The department may withdraw the intent to expend the funds  
23 under subsections (2) or (3) by notifying the state budget director  
24 in writing.

25 (6) In addition to annual planned caseload spending, the  
26 department shall expend the additional \$23,000,000.00 GF/GP  
27 appropriated by the legislature beginning in fiscal year 2025-2026  
28 on provider reimbursements for child development and care public  
29 assistance.

1           Sec. 1003. (1) From the funds appropriated in part 1 for child  
2 development and care contracted service, the department shall  
3 report to the standard report recipients on all funding  
4 appropriated to contracts for the early childhood comprehensive  
5 systems planning by this state during the previous fiscal year. The  
6 report required under this subsection must be submitted to the  
7 standard recipients by April 1 and must contain at least the  
8 following information:

9           (a) Total funding appropriated to contracts for the early  
10 childhood comprehensive systems planning by this state during the  
11 previous fiscal year.

12           (b) The amount of funding for each grant awarded.

13           (c) The grant recipients.

14           (d) The activities funded by each grant.

15           (e) An analysis of each grant recipient's success in  
16 addressing the development of a comprehensive system of early  
17 childhood services and supports.

18           (2) All department contracts for early childhood comprehensive  
19 systems planning must be bid out through a statewide request-for-  
20 proposal process.

21           Sec. 1007. (1) From the funds appropriated in part 1 for child  
22 development and care - external support, child development and care  
23 contracted services, and child care licensing and regulation, the  
24 department shall create a report that includes, but is not limited  
25 to, the following:

26           (a) The affordability of child care in this state, including,  
27 but not limited to, the number of children eligible for and  
28 participating in the child development and care program, the number  
29 of children eligible for and participating in the child development



1 and care program for the last 5 years, and key takeaways from the  
2 most recent market rate survey.

3 (b) The availability of child care in this state by county,  
4 including, but not limited to, the number of licensed child care  
5 providers, the change in the number of licensed child care  
6 providers and slots over time, and the estimated demand for care.

7 (c) The health and safety of child care, including, but not  
8 limited to, the 10 most common rule violations, the number of  
9 licenses revoked and summarily suspended, and the number of license  
10 violations for incomplete health and safety training and safe sleep  
11 training.

12 (d) Any actions taken to strengthen health and safety of care,  
13 including, but not limited to, the number of licensing consultants,  
14 their average caseload, the number of on-site visits they complete  
15 by provider type and region, the types of activities that are  
16 intended to improve health and safety in licensed care, and the  
17 number of times those activities are performed by licensing  
18 consultants.

19 (e) Information on the child care licensing process,  
20 including, but not limited to, all of the following:

21 (i) The number of initial applications, initial applications  
22 denied, license renewals, and licenses allowed to expire,  
23 aggregated by license type.

24 (ii) The average amount of time to approve or deny completed  
25 applications and a description of the most common reasons  
26 applications are denied.

27 (iii) A description of the types of complaints received, a  
28 description of the process used to resolve complaints, the average  
29 amount of time to complete investigations, and the percentage of

1 investigations completed on time.

2 (iv) The number of complaints received, investigated,  
3 determined to be unsubstantiated, and that result in disciplinary  
4 action or rule violations.

5 (v) The number of administrative hearing adjudications.

6 (f) The quality of child care, including, but not limited to,  
7 the number of licensed providers participating in the Great Start  
8 to Quality program and the workforce registry, the number of new  
9 participants and how participation has changed over the last 5  
10 years, and the number of children participating in the child  
11 development and care program enrolled in an enhancing quality level  
12 or higher program.

13 (g) Any actions taken to improve child care quality,  
14 including, but not limited to, the number of quality consultants,  
15 the average caseload, the number of on-site visits completed by  
16 region, the types of activities that are intended to improve  
17 quality and the number of times those activities are performed, and  
18 the number of providers that have improved the provider's quality  
19 rating since the start of the current fiscal year compared to the  
20 same time period in the preceding fiscal year, reported as the  
21 number of providers in each region.

22 (h) The child care workforce, including, but not limited to,  
23 the number of child care professionals, average wages by role, the  
24 number of individuals participating in the TEACH scholarship and  
25 earning a credential, and the level of demand for staff.

26 (2) The department must post the report on the department  
27 website and send the report to the state budget director, the house  
28 and senate subcommittees that oversee the department budget, and  
29 the house and senate fiscal agencies by April 1 of the current

1 fiscal year reflecting data for the previous fiscal year.

2 Sec. 1008. From the funds appropriated in part 1 for office of  
3 early childhood education, the department shall ensure efficient  
4 service provision to coordinate services provided to families for  
5 home visits, reduce duplication of state services and spending,  
6 increase efficiencies including the home visits funded under  
7 section 32p of the state school aid act of 1979, 1979 PA 94, MCL  
8 388.1632p, and work with the DHHS as necessary.

9 Sec. 1009. From the funds appropriated in part 1 for child  
10 development and care public assistance, the income entrance  
11 eligibility threshold for the child development and care program is  
12 set to not more than 200% of the federal poverty guidelines.

13 Sec. 1011. From the funds appropriated in part 1 for child  
14 development and care public assistance, for eligible children in  
15 the child development and care program, the department shall  
16 implement payments to providers based on enrollment rather than  
17 based on attendance. Payment implemented by the department under  
18 this section must be done in a manner determined by the department.

19 Sec. 1012. From the funds appropriated in part 1 for child  
20 development and care contracted services, \$3,000,000.00 must be for  
21 the department to work in collaboration with DHHS to continue the  
22 network of infant and early childhood mental health consultation,  
23 which provides mental health consultation to child care providers.

24 Sec. 1025. (1) Private revenues received by the department are  
25 appropriated upon receipt and are available for expenditure by the  
26 department as permitted under state and federal law.

27 (2) Not later than 10 days after the receipt of private  
28 revenue appropriated in subsection (1), the department shall notify  
29 the standard recipients of the receipt of the funds, including

1 source, purpose, and amount.

2 (3) The amount appropriated under subsection (1) must not  
3 exceed \$3,000,000.00.

4 Sec. 1030. (1) The funds appropriated in part 1 for the tri-  
5 share child care program must be awarded for the continuation of  
6 the child care facilitator program originally initiated and funded  
7 as a pilot project in section 1047(31) of article 5 of 2020 PA 166.

8 (2) The department shall establish and support tri-share  
9 regional facilitator hubs and statewide services.

10 (3) The department must create benchmarks for regional  
11 facilitator hubs receiving appropriated funding.

12 (4) Any child care facilitator receiving funds under this  
13 section must be a nonprofit, limited liability company, C-  
14 corporation, S-corporation, or a sole proprietor.

15  
16 **ONE-TIME APPROPRIATIONS**

17 Sec. 1101. (1) From the one-time funds appropriated in part 1  
18 for child development and care public assistance, the department  
19 shall begin the implementation of making payments prospectively to  
20 child care providers and begin contracting for children who are  
21 infants and toddlers, who are from underserved geographic areas, or  
22 who have a disability.

23 (2) Any unexpended funds appropriated in part 1 for child  
24 development and care public assistance one-time are designated as a  
25 work project appropriation, and any unencumbered or unallotted  
26 funds must not lapse at the end of the fiscal year and must be  
27 available for expenditures to sustain the project until the  
28 expiration date of this work project as stated in subdivision (d).  
29 The following are in compliance with section 451a(1) of the

1 management and budget act, 1984 PA 431, MCL 18.1451a:

2 (a) The purpose of the project is to begin implementing  
3 federally mandated requirements to pay child care providers  
4 prospectively, and to contract for vulnerable populations of  
5 children, including those who are infants and toddlers, who are  
6 from underserved areas, or who have a disability.

7 (b) The project will be accomplished by utilizing state  
8 employees or contracts with service providers, or both.

9 (c) The estimated cost of the project is \$40,000,000.00.

10 (d) The completion date of the project is September 30, 2028.

11 Sec. 1102. (1) From the funds appropriated in part 1 for  
12 college success fund and student wraparound supports, the  
13 department shall provide competitive grants, of which a total of at  
14 least \$1,000,000.00 must be dedicated for hunger-free campus  
15 grants, to public and private universities, as well as community  
16 colleges that support student success. The competitive grants  
17 provided under this subsection must focus on implementing best  
18 practices for student wraparound services, improving student  
19 retention, and completion of postsecondary degrees.

20 (2) Any unexpended funds appropriated in part 1 for college  
21 success fund and student wraparound supports are designated as a  
22 work project appropriation, and any unencumbered or unallotted  
23 funds must not lapse at the end of the fiscal year and must be  
24 available for expenditures to sustain the project until the  
25 expiration date of this work project as stated in subdivision (d).  
26 The following are in compliance with section 451a(1) of the  
27 management and budget act, 1984 PA 431, MCL 18.1451a:

28 (a) The purpose of the project is to provide competitive  
29 grants to public universities, private universities, and community

1 colleges to support student success with wraparound services and  
2 hunger-free campuses.

3 (b) The project will be accomplished by utilizing state  
4 employees or contracts with service providers, or both.

5 (c) The estimated cost of the project is \$16,000,000.00.

6 (d) The completion date of the project is September 30, 2028.

7 Sec. 1103. (1) The dual enrollment task force is created  
8 within the department to study, develop, and recommend policies to  
9 improve dual enrollment access, oversight, and alignment across  
10 this state's K-12 and postsecondary education institutions.

11 (2) From the funds appropriated in part 1 for the task force,  
12 the department shall provide administrative services and travel  
13 reimbursements for the task force.

14 (3) Members of the task force shall include the following 7  
15 representatives of state government, or their appointees:

16 (a) The director of the department.

17 (b) The chairs of the senate and house of representatives  
18 appropriations subcommittees on the department's budget.

19 (c) The senate majority leader and the speaker of the house of  
20 representatives.

21 (d) Two members of the public appointed by the governor of  
22 this state.

23 (4) The task force shall hold no fewer than 4 meetings during  
24 the 2025-2026 fiscal year. A chairperson shall be elected at the  
25 first meeting. The first meeting of the task force must be called  
26 by the department. Subsequent meetings must take place at the call  
27 of the chairperson.

28 (5) The task force shall submit a report to the standard  
29 report recipients no later than September 30, 2026, with

1 recommendations for a dual enrollment program.

2 (6) The task force shall dissolve on September 30, 2026.

3 (7) The duties of the task force include the following:

4 (a) Develop strategies to align state-level postsecondary  
5 initiatives, including dual enrollment, with broader statewide  
6 education efforts.

7 (b) Assess and recommend improvements to oversight and data  
8 collection for dual enrollment programs to ensure consistency and  
9 accessibility across this state.

10 (c) Explore the potential role of the department's office of  
11 higher education in managing dual enrollment and postsecondary  
12 credit opportunities.

13 (d) Recommend statutory changes to amend the postsecondary  
14 enrollment options act, 1996 PA 160, MCL 388.511 to 388.524, and  
15 the career and technical preparation act, 2000 PA 258, MCL 388.1901  
16 to 388.1913, to enhance coordination and remove barriers to  
17 participation.

18 (e) Propose statewide goals for dual enrollment participation  
19 and completion.

20 (f) Develop recommendations for improving course  
21 transferability between institutions to maximize student credit  
22 recognition.

23 (g) Identify potential incentives for schools, colleges, and  
24 universities to expand dual enrollment opportunities and meet  
25 statewide participation goals.

26 Sec. 1104. (1) From the funds appropriated in part 1 for  
27 expansion grants, the department shall identify and provide grants  
28 to head start providers seeking to expand services to include child  
29 care.

1           (2) Any unexpended funds appropriated in part 1 for expansion  
2 grants are designated as a work project appropriation, and any  
3 unencumbered or unallotted funds must not lapse at the end of the  
4 fiscal year and must be available for expenditures to sustain the  
5 project until the expiration date of this work project as stated in  
6 subdivision (d). The following are in compliance with section  
7 451a(1) of the management and budget act, 1984 PA 431, MCL  
8 18.1451a:

9           (a) The purpose of the project is to identify head start  
10 providers in this state seeking to expand services to include child  
11 care and to provide grants sufficient to accomplish that expansion.

12           (b) The project will be accomplished by utilizing state  
13 employees or contracts with service providers, or both.

14           (c) The estimated cost of the project is \$3,990,000.00

15           (d) The completion date of the project is September 30, 2027.