

**SUBSTITUTE FOR
SENATE BILL NO. 748**

A bill to make appropriations for the department of lifelong education, advancement, and potential for the fiscal year ending September 30, 2025; 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, 2025 from the following funds:

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

APPROPRIATION SUMMARY



1	Full-time equated unclassified positions	6.0	
2	Full-time equated exempted positions	317.0	
3	GROSS APPROPRIATION		\$ 547,615,500
4	ADJUSTED GROSS APPROPRIATION		\$ 547,615,500
5	Federal revenues:		
6	Total federal revenues:		420,954,100
7	Total private revenues		250,000
8	Total other state restricted revenues		1,862,300
9	State general fund/general purpose		\$ 124,549,100
10	Sec. 102. DEPARTMENTAL ADMINISTRATION AND		
11	SUPPORT		
12	Full-time equated unclassified positions	6.0	
13	Full-time equated classified positions	30.0	
14	Unclassified salaries--FTEs	6.0	\$ 999,500
15	Executive direction and operations--FTEs	30.0	7,531,200
16	Property management		254,500
17	GROSS APPROPRIATION		\$ 8,785,200
18	Appropriated from:		
19	Federal revenues:		
20	Total federal revenues		1,004,500
21	State general fund/general purpose		\$ 7,780,700
22	Sec. 103. INFORMATION TECHNOLOGY		
23	Information technology services and projects		998,800
24	GROSS APPROPRIATION		\$ 998,800
25	Appropriated from:		
26	Federal revenues:		
27	Total federal revenues		222,500
28	State general fund/general purpose		\$ 776,300



1	Sec. 104. OFFICE OF EARLY CHILDHOOD EDUCATION		
2	Full-time equated classified positions	220.0	
3	Child development and care contracted services		18,900,000
4	Child development and care external support		11,028,100
5	Child development and care public assistance		440,440,400
6	Childcare licensing and regulation--FTEs	149.0	25,486,500
7	Head start collaboration office--FTE	1.0	425,100
8	Office of great start operations--FTEs	70.0	14,388,200
9	Tri-share child care program		3,400,000
10	GROSS APPROPRIATION		\$ 514,068,300
11	Appropriated from:		
12	Federal revenues:		
13	Federal funds		331,927,100
14	Social security act, temporary assistance for		
15	needy families		87,800,000
16	Total federal revenues		419,727,100
17	Special revenue funds:		
18	Private foundations		250,000
19	Adult foster care facilities licenses fund		42,900
20	Certification fees		64,600
21	Child care home and center licenses fund		501,700
22	State general fund/general purpose		\$ 93,482,000
23	Sec. 105. OFFICE OF EDUCATION PARTNERSHIPS		
24	Full-time equated classified positions	6.0	
25	Before and after school administration--FTEs	0.0	100
26	Family and community engagement--FTEs	6.0	1,062,500
27	Parental engagement		500,000
28	GROSS APPROPRIATION		\$ 1,562,600



1	Appropriated from:		
2	State general fund/general purpose	\$	1,562,600
3	Sec. 106. OFFICE OF HIGHER EDUCATION		
4	Full-time equated classified positions	46.0	
5	Dual enrollment payments		3,000,000
6	Student financial assistance programs--FTEs	46.0	9,200,600
7	GROSS APPROPRIATION	\$	12,200,600
8	Appropriated from:		
9	Special revenue funds:		
10	Michigan merit award trust fund		1,253,100
11	State general fund/general purpose	\$	10,947,500
12	Sec. 107. ONE-TIME APPROPRIATIONS		
13	Full-time equated classified positions	15.0	
14	Adult education outreach project		100
15	After school programming extension		1,000,000
16	Childcare facility inspection work project--		
17	FTEs	15.0	4,840,100
18	Childcare program stabilization grants		100
19	Childcare startup grants		100
20	College awaits pilot		1,500,000
21	Family childcare networks support		1,659,500
22	Healthcare grants		500,000
23	Post-secondary enrollment		100
24	Youth mentorship		500,000
25	GROSS APPROPRIATION	\$	10,000,000
26	Appropriated from:		
27	State general fund/general purpose	\$	10,000,000

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PART 2



PROVISIONS CONCERNING APPROPRIATIONS
FOR FISCAL YEAR 2024-2025

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, 2025, total state spending under part 1 from state sources is \$126,411,400.00 and state spending under part 1 from state sources to be paid to local units of government is \$0.00.

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

Sec. 204. The department 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.

Sec. 205. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the



1 following apply to the expenditure of funds appropriated in part 1:

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

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

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

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

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

28 (a) The dates of each travel occurrence.

29 (b) The total transportation and related expenses of each



1 travel occurrence and the proportions funded with state general
2 fund/general purpose revenues, state restricted revenues, federal
3 revenues, and other revenues.

4 Sec. 208. (1) The department shall not use funds appropriated
5 in part 1 to hire a person to provide legal services that are the
6 responsibility of the attorney general. This section does not apply
7 to legal services for bonding activities or to outside legal
8 services that the attorney general authorizes.

9 (2) A principal executive department, state agency, or
10 authority shall make timely reimbursement to the department of the
11 attorney general for legal services provided by the department of
12 the attorney general to the department, state agency, or authority.
13 If the department, state agency, or authority fails to make timely
14 reimbursement, the department of the attorney general may increase
15 the amount billed to include a penalty for the late reimbursement.
16 As used in this subsection, "timely reimbursement" means
17 reimbursement not later than 60 days after the department, state
18 agency, or authority receives a bill for the legal services from
19 the department of attorney general.

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

29 Sec. 210. (1) In addition to the funds appropriated in part 1,



1 there is appropriated an amount not to exceed \$10,000,000.00 for
 2 federal contingency authorization. Amounts appropriated under this
 3 subsection are not available for expenditure until they have been
 4 transferred to another line item in part 1 under section 393(2) of
 5 the management and budget act, 1984 PA 431, MCL 18.1393.

6 (2) In addition to the funds appropriated in part 1, there is
 7 appropriated an amount not to exceed \$500,000.00 for state
 8 restricted contingency funds. These funds are not available for
 9 expenditure until they have been transferred to another line item
 10 in part 1 under section 393(2) of the management and budget act,
 11 1984 PA 431, MCL 18.1393.

12 (3) In addition to the funds appropriated in part 1, there is
 13 appropriated an amount not to exceed \$350,000.00 for local
 14 contingency funds. These funds are not available for expenditure
 15 until they have been transferred to another line item in part 1
 16 under section 393(2) of the management and budget act, 1984 PA 431,
 17 MCL 18.1393.

18 (4) In addition to the funds appropriated in part 1, there is
 19 appropriated an amount not to exceed \$2,000,000.00 for private
 20 contingency funds. These funds are not available for expenditure
 21 until they have been transferred to another line item in part 1
 22 under section 393(2) of the management and budget act, 1984 PA 431,
 23 MCL 18.1393.

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

- 28 (a) Fiscal year-to-date expenditures by category.
 29 (b) Fiscal year-to-date expenditures by appropriation unit.



1 (c) Fiscal year-to-date payments to a selected vendor,
2 including the vendor name, payment date, payment amount, and
3 payment description.

4 (d) The number of active department employees by job
5 classification.

6 (e) Job specifications and wage rates.

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

15 Sec. 213. (1) Except as otherwise provided in this part, all
16 reports required under this part shall be submitted to the standard
17 report recipients.

18 (2) The department shall maintain, on a publicly accessible
19 website, information that identifies, tracks, and regularly updates
20 key metrics that are used to monitor and improve the department's
21 performance.

22 Sec. 214. (1) Funds appropriated in part 1 must not be used to
23 restrict or impede a marginalized community's access to government
24 resources, programs, or facilities.

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

28 Sec. 215. To the extent permissible under the management and
29 budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall



1 take all reasonable steps to ensure geographically-disadvantaged
2 business enterprises compete for and perform contracts to provide
3 services or supplies, or both. The director shall strongly
4 encourage firms with which the department contracts to subcontract
5 with certified geographically-disadvantaged business enterprises
6 for services, supplies, or both. As used in this section,
7 "geographically-disadvantaged business enterprises" means that term
8 as defined in Executive Directive No. 2019-08.

9 Sec. 216. On a quarterly basis, the department shall report on
10 the number of full-time equated positions in pay status by civil
11 service classification, including a comparison by line item of the
12 number of full-time equated positions authorized from funds
13 appropriated in part 1 to the actual number of full-time equated
14 positions employed by the department at the end of the reporting
15 period. The report must be submitted to the senate and house
16 appropriations committees and to the standard report recipients.

17 Sec. 217. It is the intent of the legislature that the
18 department maximize the efficiency of the state workforce and, if
19 possible, prioritize in-person work, and post its in-person,
20 remote, or hybrid work policy on its website.

21 Sec. 218. If the state administrative board, acting under
22 section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount
23 appropriated under this part or part 1, the legislature may, by a
24 concurrent resolution adopted by a majority of the members elected
25 to and serving in each house, inter-transfer funds within this part
26 or part 1 for the particular department, board, commission,
27 officer, or institution.

28 Sec. 219. The department shall receive and retain copies of
29 all reports funded from appropriations in part 1. The department



1 shall follow federal and state guidelines for short-term and long-
2 term retention of records. The department may electronically retain
3 copies of reports unless otherwise required by federal and state
4 guidelines.

5 Sec. 220. Not later than April 1, the department shall report
6 on each specific policy change made to implement a public act
7 affecting the department that took effect during the previous
8 calendar year. The department shall submit the report to the
9 standard report recipients, to the senate and house appropriations
10 committees, and to the joint committee on administrative rules.

11 Sec. 221. (1) From the funds appropriated in part 1, the
12 department shall do the following:

13 (a) Report any amounts of severance pay for a department
14 director, deputy director, or other high-ranking department
15 official not later than 14 days after a severance agreement with
16 the director or official is signed. The name of the director or
17 official and the amount of severance pay must be included in the
18 report required by this subdivision.

19 (b) Not later than February 1, report on the total amount of
20 severance pay remitted to former department employees during the
21 previous fiscal year and the total number of former department
22 employees that were remitted severance pay during the previous
23 fiscal year.

24 (2) Reports required by this section must be submitted to the
25 standard report recipients and to the senate and house
26 appropriations committees.

27 (3) As used in this section, "severance pay" means
28 compensation that is both payable or paid on the termination of
29 employment and in addition to either wages or benefits earned



1 during the course of employment or generally applicable retirement
2 benefits.

3 Sec. 222. (1) To the extent possible, the department shall not
4 expend appropriations under part 1 until all existing authorized
5 work project funds available for the same purposes are exhausted.

6 (2) General fund appropriations in part 1 shall not be
7 expended for items in cases where federal funding or private grant
8 funding is available for the same expenditures.

9 Sec. 223. (1) For any grant program or project funded in part
10 1 intended for a single recipient organization or unit of local
11 government, the grant program or project is for a public purpose
12 and the department shall follow procurement statutes of this state,
13 including any bidding requirements, unless the department can fully
14 validate, through information detailed in this part or public
15 supporting documents, both of the following:

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

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

19 (2) Notwithstanding any other conditions or requirements for
20 direct appropriation grants, the department shall perform at least
21 all of the following activities to administer the grants described
22 in subsection (1):

23 (a) Develop a standard application process, grantee reporting
24 requirements, and any other necessary documentation, including
25 sponsorship information as specified under subsection (3).

26 (b) Establish a process to review, complete, and execute a
27 grant agreement with a grant recipient. The department shall not
28 execute a grant agreement unless all necessary documentation has
29 been submitted and reviewed.



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

5 (d) Review and verify all necessary information to ensure the
6 grant recipient is reasonably able to execute the grant agreement,
7 perform its fiduciary duty, and comply with all applicable state
8 and federal statutes. The department may deduct the cost of
9 background checks performed as part of this verification from the
10 amount of the designated grant award.

11 (e) Establish a standard timeline to review all documents
12 submitted by grant recipients and provide a response within 45
13 business days stating whether submitted documents by a grant
14 recipient are sufficient or in need of additional information.

15 (3) A sponsor of a grant described in subsection (1) must be a
16 legislator or the department. A legislative sponsor must be
17 identified through a letter submitted by that legislator's office
18 to the department and state budget director containing the name of
19 the grant recipient, the intended amount of the grant, a
20 certification from that legislator that the grant is for a public
21 purpose, and specific citation of the section and subsection of the
22 public act that authorizes the grant, as applicable. If a
23 legislative sponsor is not identified before January 15, 2025, the
24 department shall do 1 of the following:

25 (a) Identify the department as the sponsor.

26 (b) Decline to execute the grant agreement.

27 (4) An executed grant agreement under this section between the
28 department and a grant recipient must include at least all of the
29 following:



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

4 (b) A description of the project for which the grant funds
5 will be expended, including tentative timelines and the estimated
6 budget. The department shall not reimburse expenditures that are
7 outside of the project purpose, as stated in the executed grant
8 agreement, from appropriations in part 1.

9 (c) Unless otherwise specified in department policy, a
10 requirement that funds appropriated for the grants described in
11 subsection (1) may be used only for expenditures that occur on or
12 after the effective date of this act.

13 (d) At the discretion of the department, a provision for an
14 initial disbursement of 50% to the grant recipient on execution of
15 the grant agreement consistent with part II, chapter 10, section
16 200 of the Financial Management Guide.

17 (e) A requirement that after an initial 50% disbursement under
18 subdivision (d), additional funds will be disbursed only after
19 verification that the initial payment has been fully expended in
20 accordance with the project purpose. The department shall disburse
21 the remaining funds after the grantee has provided sufficient
22 documentation, as determined by the department, to verify that all
23 expenditures were made in accordance with the project purpose.

24 (f) A requirement for reporting by the grant recipient to the
25 department that provides the status of the project and an
26 accounting of all funds expended by the grant recipient, as
27 determined by the department.

28 (g) A claw-back provision that allows the department of
29 treasury to recoup or otherwise collect any funds that are



1 declined, unspent, or otherwise misused.

2 (5) If appropriate to improve the administration or oversight
3 of a grant described in subsection (1), the department may adopt a
4 memorandum of understanding with another state department to
5 perform the required duties under this section.

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

14 (7) The grant recipient shall expend all funds awarded and
15 complete all projects not later than September 30, 2029. If at that
16 time any unexpended funds remain, the grant recipient shall return
17 those funds to the state treasury. If a grant recipient does not
18 provide information sufficient to execute a grant agreement not
19 later than June 1, 2025, the department shall return funds
20 associated with the grant to the state treasury.

21 (8) The state budget director may, on a case-by-case basis,
22 extend the deadline in subsection (7) on request by a grant
23 recipient. The state budget director shall notify the chairs of the
24 house and senate appropriations committees not later than 5 days
25 after an extension is granted.

26 (9) The department shall post a report in a publicly
27 accessible location on its website not later than September 30,
28 2025. The report must list the grant recipient, project purpose,
29 and location of the project for each grant described in subsection



1 (1), the status of funds allocated and disbursed under the grant
2 agreement, and the legislative sponsor, if applicable.

3 (10) As applicable, the legislative sponsor of a grant
4 described in subsection (1) shall comply with all applicable laws
5 concerning conflicts of interest in seeking a direct grant. A
6 legislative sponsor shall not seek a grant for a recipient if a
7 conflict of interest exists.

8 (11) If the department reasonably determines that the funds
9 allocated for an executed grant agreement under this section were
10 misused or that use of the funds was misrepresented by the grant
11 recipient, the department shall not award any additional funds
12 under the executed grant agreement and shall refer the grant for
13 review following internal audit protocols.

14

15 **OFFICE OF EDUCATION PARTNERSHIPS**

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

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

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

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

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

28 Sec. 402. From the funds appropriated in part 1 for parental
29 engagement, the department shall allocate grants to nonprofit,



1 parent-led organizations that work to increase coordination,
2 training, and support among parents, primary caregivers, and school
3 educators. Grants must be used to support organizations with an
4 established partnership with a school district or to support the
5 establishment of new partnerships.

6
7 **OFFICE OF HIGHER EDUCATION**

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

11 (a) Review and evaluate all state financial aid programs and
12 prioritize improving postsecondary educational outcomes, including
13 student completion rates, and improving affordability of
14 postsecondary programs in this state.

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

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

23 (d) Help inform prospective students and families, and analyze
24 the costs of postsecondary education in this state broken down by
25 individual colleges and universities, including comparison against
26 other states.

27 (e) Provide analysis of data collected by the Center for
28 Education Performance and Information, higher education information
29 data inventory, and individual colleges and universities to assist



1 students, prospective students, and their families in making
2 decisions on postsecondary education.

3 (f) Provide recommendations that would improve the delivery of
4 student financial aid and increase postsecondary attainment in this
5 state.

6 (g) Support the administration of the Michigan transfer
7 network to do both of the following:

8 (i) Ensure participating institutions provide timely and
9 accurate information.

10 (ii) Promote the equitable transferability of associate degrees
11 to bachelor's degree institutions in the same study or program and
12 advance solutions to improve transferability between postsecondary
13 institutions in this state.

14 (h) 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 (i) 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, and notify the chairs of the house and senate
24 appropriations committees within 10 days if an entity receiving
25 funds from part 1 fails to comply with data collection
26 requirements.

27 (b) Submit all required reports to the house and senate
28 appropriations chairs and the legislative fiscal agencies.

29 (c) Compile, post, and maintain all required reports on an



1 easily accessible page of the department's website.

2 (d) Maintain a link on the department's website to find data
3 submitted by postsecondary institutions through the Higher
4 Education Information Database for Institutions.

5 (e) Compile the authorizer reports required in section 275k of
6 the state school aid act of 1979, 1979 PA 94, MCL 388.1875k, and
7 post on the department's website.

8 (f) Develop and maintain an easily accessible dashboard on the
9 department's website to include, at a minimum, all of the
10 following:

11 (i) Aggregated student enrollment, utilization, and completion
12 rates for all public, private, and not-for-profit colleges and
13 universities receiving funds from part 1.

14 (ii) Aggregated participation in the state financial aid
15 programs, and, at a minimum, the department shall ensure data is
16 disaggregated by postsecondary institution and enrollment by
17 ethnicity, region, and socioeconomic status.

18 (iii) In coordination with the Center for Educational
19 Performance and Information and the state demographer, data on the
20 number of individuals in this state eligible for, but not enrolled
21 in, state financial aid programs.

22 (iv) Free application for federal student aid completion rates
23 and historical completion rate trends, and data on completion rate
24 trends must visually demonstrate when completion rates are at the
25 highest and when completion rates are at the lowest.

26 (3) Not later than March 1, the department shall provide a
27 report to the house and senate appropriations committee chairs and
28 the legislative fiscal agencies on the activities of the department
29 that includes, but is not limited to, all of the following:



1 (a) For all fund sources, total expenditures by the department
2 compared to appropriated funding levels, including staffing levels,
3 broken down by department administration, early childhood, K-12
4 partnerships, and the office of higher education.

5 (b) In coordination with other state agencies, up-to-date
6 expenditure data on state financial aid programs compared against
7 appropriated funding for each applicable program, and to the extent
8 possible, the department shall identify enrollment or expenditure
9 trends that may cause a shortfall in state financial aid program
10 funding.

11 (c) A list of contracts or agreements with external entities
12 utilized to perform the functions of the department.

13 (d) Identification of department goals and progress toward
14 meeting those goals. The department shall provide specific data
15 used to monitor and track progress.

16 (e) Any recommendations to improve the implementation,
17 coordination, or data collection of programs administered by the
18 department.

19 (4) To the extent other reporting deadlines are aligned, the
20 department may consolidate other statutorily required reports into
21 the report described under subsection (3).

22 Sec. 702. From the funds appropriated in part 1, the office of
23 higher education shall include the position of student loan
24 ombudsman. Any state employee previously serving as student loan
25 ombudsman in the student loan repayment division in the department
26 of treasury shall serve as student loan ombudsman in the
27 department's office of higher education.

28 Sec. 705. The funds appropriated in part 1 for dual enrollment
29 payments for an eligible student enrolled in a state-approved



1 nonpublic school shall be distributed as provided under the
2 postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to
3 388.524, and the career and technical preparation act, 2000 PA 258,
4 MCL 388.1901 to 388.1913, in a form and manner as determined by the
5 department.

6

7 **OFFICE OF EARLY CHILDHOOD EDUCATION**

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

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

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

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

22 (c) The department makes this request to the state budget
23 director not less than 30 days before the expenditure of the funds.

24 (3) If the average cases over a 3-month period in the child
25 development and care program result in the projected fiscal year
26 2024-2025 caseloads falling below the caseload agreement from the
27 May 2024 consensus revenue estimating conference, the department
28 may increase the hourly reimbursement rate to child care providers
29 if the following conditions are met:



1 (a) The level of expenditures for the remainder of the year is
2 estimated to be significantly below the level estimated from the
3 May 2024 consensus revenue estimating conference.

4 (b) The department plans to expend the funds through an
5 ongoing rate increase to providers for the remainder of the fiscal
6 year.

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

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

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

18 Sec. 1004. (1) From the funds appropriated in part 1 for child
19 development and care public assistance, the provider reimbursement
20 rates for child care centers, group home providers, registered
21 family homes, and licensed exempt providers are increased by 20%
22 from the provider rates established in the child development and
23 care handbook for fiscal year 2023-2024, rounded to the nearest
24 \$0.05.

25 (2) Provider reimbursement rate increases funded under
26 subsection (1) are effective the first full biweekly pay period of
27 the fiscal year.

28 (3) The department shall ensure that the final child
29 development and care provider reimbursement rates are published on



1 the department and Great Start to Quality webpages.

2 Sec. 1007. (1) From the funds appropriated in part 1 for child
3 development and care - external support, child development and care
4 contracted services, and childcare licensing and regulation, the
5 department shall create a joint report that includes, but is not
6 limited to, the following:

7 (a) The affordability of child care in this state, including,
8 but not limited to, the number of children eligible for and
9 participating in the child development and care program, the number
10 of children eligible for and participating in the child development
11 and care program for the last 5 years, and key takeaways from the
12 most recent market rate survey.

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

17 (c) The health and safety of child care, including, but not
18 limited to, the 10 most common rule violations, the number of
19 licenses revoked and summarily suspended, and the number of license
20 violations for incomplete health and safety training and safe sleep
21 training.

22 (d) Any actions taken to strengthen health and safety of care,
23 including, but not limited to, the number of licensing consultants,
24 their average caseload, the number of on-site visits they complete
25 by provider type and region, the types of activities that are
26 intended to improve health and safety in licensed care, and the
27 number of times those activities are performed by licensing
28 consultants.

29 (e) The quality of child care, including, but not limited to,



1 the number of licensed providers participating in the Great Start
2 to Quality program and the workforce registry, the number of new
3 participants and how participation has changed over the last 5
4 years, and the number of children participating in the child
5 development and care program enrolled in an enhancing quality level
6 or higher program.

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

16 (g) The child care workforce, including, but not limited to,
17 the number of child care professionals, average wages by role, the
18 number of individuals participating in the TEACH scholarship and
19 earning a credential, and the level of demand for staff.

20 (h) Total funding appropriated to contracts for the early
21 childhood comprehensive systems planning by the state during the
22 previous fiscal year that includes, but is not limited to, the
23 following:

24 (i) The amount of funding for each grant awarded.

25 (ii) The grant recipients.

26 (iii) The activities funded by each grant.

27 (iv) An analysis of each grant recipient's success in
28 addressing the development of a comprehensive system of early
29 childhood services and supports.



1 (2) The department must post the joint report on the
2 department website and send the joint report to the state budget
3 director, the house and senate subcommittees that oversee the
4 department budget, and the house and senate fiscal agencies by
5 April 1 of the current fiscal year reflecting data for the previous
6 fiscal year.

7 Sec. 1008. From the funds appropriated in part 1 for office of
8 early childhood education, the department shall ensure efficient
9 service provision to coordinate services provided to families for
10 home visits, reduce duplication of state services and spending,
11 increase efficiencies including the home visits funded under
12 section 32p of the state school aid act of 1979, 1979 PA 94, MCL
13 388.1632p, and work with the DHHS as necessary.

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

18 Sec. 1011. From the funds appropriated in part 1 for child
19 development and care public assistance, for eligible children in
20 the child development and care program, the department shall
21 implement payments to providers based on enrollment rather than
22 based on attendance. This shall be done in a manner determined by
23 the department.

24 Sec. 1012. From the funds appropriated in part 1,
25 \$3,000,000.00 shall be for the department to work in collaboration
26 with DHHS to continue the network of infant and early childhood
27 mental health consultation, which provides mental health
28 consultation to child care providers.

29 Sec. 1030. The funds appropriated in part 1 for the tri-share



1 child care program must be awarded for the continuation of the
 2 child care facilitator pilot project originally initiated and
 3 funded in section 1047(31) of article 5 of 2020 PA 166.

4
 5 **ONE-TIME APPROPRIATIONS**

6 Sec. 1101. (1) From the funds appropriated in part 1 for the
 7 adult education outreach project, the department shall create, and
 8 distribute grants through, an adult learners pilot program (PAL).
 9 The department may provide grants to no more than 4 nonprofit
 10 organizations that serve multiple counties. Each nonprofit
 11 organization must assist adult learners by offering an accelerated
 12 high school accreditation program for the achievement of a high
 13 school diploma and provide on-site child care. Preference must be
 14 given to nonprofit organizations that assist with career
 15 certifications and wrap-around supports. Nonprofit organization
 16 grantees may create public-private partnerships to achieve the
 17 above requirements.

18 (2) Any unexpended funds appropriated in part 1 for the adult
 19 education outreach project are designated as a work project
 20 appropriation, and any unencumbered or unallotted funds shall not
 21 lapse at the end of the fiscal year and shall be available for
 22 expenditures to sustain the project until the expiration date of
 23 this work project as stated in subsection (d). The following are in
 24 compliance with section 451a(1) of the management and budget act,
 25 1984 PA 431, MCL 18.1451a:

26 (a) The purpose of the project is to deliver adult education
 27 programming across multiple regions of this state for the duration
 28 of the work project.

29 (b) The project will be accomplished by utilizing state



1 employees or contracts with service providers, or both.

2 (c) The estimated cost of the project is \$100.00.

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

4 Sec. 1102. (1) From the funds appropriated in part 1 for after
5 school programming extension, the department shall allocate
6 \$1,000,000.00 to a nonprofit located in a city with a population
7 between 61,000 and 62,000 that lowers barriers to postsecondary
8 education for disadvantaged youth, that has a partnership with a
9 public university, and that works with local program affiliates in
10 different regions of this state.

11 (2) Any unexpended funds appropriated in part 1 for after
12 school programming extension are designated as a work project
13 appropriation, and any unencumbered or unallotted funds shall not
14 lapse at the end of the fiscal year and shall be available for
15 expenditures to sustain a program that lowers postsecondary access
16 barriers for disadvantaged youth until the expiration date of this
17 work project as stated in subsection (d). The following are in
18 compliance with section 451a(1) of the management and budget act,
19 1984 PA 431, MCL 18.1451a:

20 (a) The purpose of the project is to lower barriers to
21 postsecondary education for disadvantaged youth for the duration of
22 the work project.

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

25 (c) The estimated cost of the project is \$1,000,000.00.

26 (d) The completion date of the project is September 30, 2029.

27 Sec. 1103. (1) From the funds appropriated in part 1 for
28 childcare facility inspection work project, the department may
29 expend up to \$4,840,100.00 and hire an additional 15.0 FTEs for the



1 duration of the work project.

2 (2) Any unexpended funds appropriated in part 1 for the
 3 childcare facility inspection work project are designated as a work
 4 project appropriation, and any unencumbered or unallotted funds
 5 shall not lapse at the end of the fiscal year and shall be
 6 available for expenditures to sustain a program that performs child
 7 care facility inspections until the expiration date of this work
 8 project as stated in subsection (d). The following are in
 9 compliance with section 451a(1) of the management and budget act,
 10 1984 PA 431, MCL 18.1451a:

11 (a) The purpose of the project is to supplement ongoing child
 12 care facility inspections for the duration of the work project.

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

15 (c) The estimated cost of the project is \$4,840,100.00.

16 (d) The completion date of the project is September 30, 2026.

17 Sec. 1104. From the funds appropriated in part 1 for childcare
 18 program stabilization grants, the department shall provide
 19 noncompetitive grants to child care providers and support to new
 20 and expanding child care providers statewide.

21 Sec. 1105. From the funds appropriated in part 1 for childcare
 22 startup grants, the department shall allocate \$100.00 to a company
 23 to work with the department to expand and support child care
 24 capacity by recruiting and coaching prospective providers through
 25 the startup process.

26 Sec. 1106. (1) From the funds appropriated in part 1 for the
 27 college awaits pilot, the department shall allocate \$1,500,000.00
 28 in grants to universities for outreach activities to K-12 students
 29 with the goal of increasing postsecondary enrollment and



1 completion. The department shall develop guidelines and approve
2 university plans for the use of the funds. Grants allocated must
3 include specific outreach activities that will allow K-12 students
4 to experience university campuses, raise awareness of postsecondary
5 programs and career opportunities, and provide financial aid
6 resources to promote the accessibility of postsecondary education.
7 The department shall prioritize grants to plans that target
8 underrepresented populations enrolled in postsecondary programs.

9 (2) By September 1, the department shall provide a report to
10 the chairs of the house and senate appropriations committees and
11 the senate and house fiscal agencies on the status of the funds
12 allocated and the metrics used to track the effectiveness of the
13 funds expended.

14 Sec. 1107. From the funds appropriated in part 1 for family
15 childcare networks support, the department shall provide supports,
16 including language support, to home-based providers with an
17 emphasis on sustaining the provider marketplace.

18 Sec. 1108. From the funds appropriated in part 1 for
19 healthcare grants, the department shall allocate \$500,000.00 to a
20 nonprofit organization focused on postsecondary access and success
21 for youth with experience in foster care and homelessness, and that
22 oversees a statewide initiative to build a formal network of
23 supports to increase postsecondary outcomes for at-risk youth.

24 Sec. 1109. From the funds appropriated in part 1 for
25 postsecondary enrollment, the department shall allocate \$100.00 to
26 a company for the purpose of re-engaging adult learners to increase
27 the number of adults completing postsecondary degrees or
28 credentials in this state.

29 Sec. 1110. From the funds appropriated in part 1 for youth



1 mentorship, the department shall allocate \$500,000.00 to a youth
2 mentorship nonprofit organization that works with a public school
3 system in a city with a population between 107,000 and 108,000
4 located in a county with a population between 284,000 and 285,000
5 for the purpose of providing mentorship and helping students in
6 grades 6 through 12 develop strategies for success in the students'
7 lives, schools, and communities.

