

**Summary: Executive Budget Recommendation  
for Fiscal Year 2024-25  
LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL**



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	FY 2023-24	FY 2024-25	Difference: FY 2024-25	
	Enacted as of 2/7/24		Executive	vs. FY 2023-24
IDG/IDT	\$0	\$0	\$0	NA
Federal	0	413,951,400	413,951,400	NA
Local	0	0	0	NA
Private	0	250,000	250,000	NA
Restricted	0	1,862,300	1,862,300	NA
GF/GP	0	160,921,700	160,921,700	NA
<b>Gross</b>	<b>\$0</b>	<b>\$576,985,400</b>	<b>\$576,985,400</b>	<b>NA</b>
FTEs	0.0	340.0	340.0	NA

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

**Overview**

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

<b>Major Budget Changes from FY 2023-24 Enacted Appropriations</b>	FY 2023-24 Enacted (as of 2/7/24)	Executive Change Enacted
<b>1. Departmental Administration and Support</b>	FTE	36.0
Provides \$8.7 million Gross (\$7.8 million GF/GP) and authorizes 30.0 classified and 6.0 unclassified FTE positions for departmental administration and support, including executive direction and operations and property management.	<b>Gross</b>	<b>\$8,691,900</b>
	Federal	911,200
	GF/GP	\$7,780,700
<b>2. Information Technology</b>	<b>Gross</b>	<b>\$990,300</b>
Provides \$1.0 million Gross (\$767,800 GF/GP) for information technology services and projects.	Federal	222,500
	GF/GP	\$767,800
<b>OFFICE OF EARLY CHILDHOOD EDUCATION</b>		
<b>3. Child Development and Care Subsidy Transfer</b>	<b>Gross</b>	<b>\$364,500,000</b>
Transfers in \$364.5 million Gross (\$50.8 million GF/GP) from the Michigan Department of Education (MDE) for the child development and care subsidy, which provides support for low-income and other qualifying families in need of child care to work or participate in training or educational activities.	Federal	313,659,800
	GF/GP	\$50,840,200
<b>4. Child Care Provider Rate Increase</b>	<b>Gross</b>	<b>\$37,927,400</b>
Provides \$37.9 million Gross (\$19.0 million GF/GP) to increase hourly child care provider reimbursement rates by 10%.	Federal	18,963,700
	GF/GP	\$18,963,700
<b>5. Child Care Licensing Bureau Transfer</b>	FTE	147.0
Transfers in \$25.0 million Gross (\$3.8 million GF/GP) and authorization for 147.0 FTE positions from the Department of Licensing and Regulatory Affairs (LARA) for the Child Care Licensing Bureau and additional licensing staff.	<b>Gross</b>	<b>\$24,986,500</b>
	Federal	20,653,100
	Restricted	544,600
	GF/GP	\$3,788,800

<b>Major Budget Changes from FY 2023-24 Enacted Appropriations</b>		<b>FY 2023-24 Enacted (as of 2/7/24)</b>	<b>Executive Change Enacted</b>
<b>6. Child Development and Care Contracted Services Transfer</b>		<b>Gross</b>	<b>\$0</b>
Transfers in \$18.9 million Federal from MDE for the Early Childhood Investment Corporation, which administers child care quality initiatives, License Exempt Monitoring, and the T.E.A.C.H. Early Childhood Michigan Scholarship program for child care providers.		Federal	18,900,000
		GF/GP	\$0
<b>7. Office of Great Start Operations</b>		FTE	70.0
Transfers in \$14.4 million Gross (\$2.5 million GF/GP) and authorization for 70.0 FTE positions from MDE for the operations for the Office of Great Start, which administers early childhood education programs for general and special education students and the child development and care public assistance programs.		<b>Gross</b>	<b>\$14,388,100</b>
		Federal	11,597,100
		Private	250,000
		Restricted	64,600
		GF/GP	\$2,476,400
<b>8. Child Development and Care External Support Transfer</b>		<b>Gross</b>	<b>\$0</b>
Transfers in \$11.0 million Federal from MDE for an interdepartmental grant to the Michigan Department of Health and Human Services (DHHS) to support child development and care related activities, including program eligibility determinations and responding to administrative hearings.		Federal	11,028,100
		GF/GP	\$0
<b>9. Foster Care Child Care Provider Rate Increase</b>		<b>Gross</b>	<b>\$0</b>
Provides \$8.5 million Federal to increase the child care provider reimbursement rate for children in foster care by 30%, with a goal of incentivizing services and supports for foster care children.		Federal	8,500,000
		GF/GP	\$0
<b>10. Child Care Facility Inspections</b>		FTE	30.0
Provides \$4.8 million Federal and authorizes 30.0 FTE positions to increase staff support for child care facility inspections.		<b>Gross</b>	<b>\$4,840,100</b>
		Federal	4,840,100
		GF/GP	\$0
<b>11. Family Child Care Networks</b>		<b>Gross</b>	<b>\$0</b>
Provides \$4.0 million Federal to maintain family child care networks that provide support to home-based child care providers, such as language skills. The networks were originally funded using COVID-19 stimulus funds.		Federal	4,000,000
		GF/GP	\$0
<b>12. Tri-Share Child Care Program</b>		<b>Gross</b>	<b>\$0</b>
Transfers in \$3.4 million GF/GP from LEO for the Tri-Share Child Care program, which helps partner private and public organizations to increase access to high-quality and affordable child care for working families.		GF/GP	\$3,400,000
<b>13. Tri-Share Child Care Program Administration</b>		FTE	1.0
Provides \$176,500 GF/GP and authorizes 1.0 FTE position for the administration of the Tri-Share Child Care program.		<b>Gross</b>	<b>\$176,500</b>
		GF/GP	\$176,500
<b>14. Child Care Centers Drinking Water Quality</b>		FTE	2.0
Provides \$500,000 GF/GP and authorizes 2.0 FTE positions to provide specialty water bottles to test the quality of drinking water at child care facilities.		<b>Gross</b>	<b>\$500,000</b>
		GF/GP	\$500,000
<b>15. Head Start Collaboration Office</b>		FTE	1.0
Transfers in \$425,100 Gross (\$64,500 GF/GP) and authorization for 1.0 FTE position from MDE for the Head Start Collaboration Office, which coordinates between Head Start agencies and state and local entities that provide services for all low-income children from birth to age 5 and pregnant women.		<b>Gross</b>	<b>\$425,100</b>
		Federal	360,600
		GF/GP	\$64,500

		<b>FY 2023-24 Enacted (as of 2/7/24)</b>	<b>Executive Change Enacted</b>
<b>Major Budget Changes from FY 2023-24 Enacted Appropriations</b>			
<b>16. Child Care Development and Care Fund Federal Medical Assistance Percentage (FMAP) Rate Adjustment</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
Provides \$221,900 Federal with a corresponding decrease of GF/GP due to annual cost sharing adjustments from the FMAP rate increasing from 64.94% to 65.13%.	Federal	0	221,900
	GF/GP	\$0	(\$221,900)

**OFFICE OF EDUCATION PARTNERSHIPS**

<b>17. Office of Education Partnerships Program Transfers</b>	FTE	0.0	6.0
Transfers in \$1.1 million GF/GP and authorization for 6.0 FTE positions from MDE for the new Office of Education Partnerships to support the Family and Community Engagement program, the Governor's Educator Advisory Council, and the Michigan PreK-12 Literacy Commission.	<b>Gross</b>	<b>\$0</b>	<b>\$1,062,500</b>
	GF/GP	\$0	\$1,062,500

<b>18. Out-of-School Time Administration</b>	FTE	0.0	2.0
Provides \$366,500 GF/GP and authorizes 2.0 FTE positions to provide support for the Michigan Out-of-School Time program in the School Aid budget, which provides grants for before and after school programs along with summer school activities.	<b>Gross</b>	<b>\$0</b>	<b>\$366,500</b>
	GF/GP	\$0	\$366,500

**OFFICE OF HIGHER EDUCATION**

<b>19. Student Financial Assistance Program Transfers</b>	FTE	0.0	33.0
Transfers in \$8.9 million Gross (\$7.7 million GF/GP) and authorization for 33.0 FTE positions from the Department of Treasury for the administration of student financial assistance programs, Dual Enrollment payments, and the Michigan Student Scholarship and Grants portal.	<b>Gross</b>	<b>\$0</b>	<b>\$8,924,600</b>
	Restricted	0	1,253,100
	GF/GP	\$0	\$7,671,500

<b>20. Michigan Reconnect and Office of Higher Education Program Transfers</b>	FTE	0.0	12.0
Transfers in \$3.3 million GF/GP and authorization for 12.0 FTE positions from LEO for the new Office of Higher Education to provide administrative support for the Sixty by 30 Initiative, Michigan Reconnect, and Future for Frontliners.	<b>Gross</b>	<b>\$0</b>	<b>\$3,276,000</b>
	GF/GP	\$0	\$3,276,000

**ONE-TIME APPROPRIATIONS**

<b>21. Child Care Worker Subsidy Pilot Program</b>	<b>Gross</b>	<b>\$0</b>	<b>\$60,000,000</b>
Provides \$60.0 million GF/GP one-time to create a 3-year pilot program to provide child care workers with child care related subsidies.	GF/GP	\$0	\$60,000,000

<b>22. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$101,800</b>
Reflects increased costs of \$101,800 Gross (\$8,500 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2024), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. (Note: This item does not reflect all economics adjustments because some economics adjustments were applied to appropriations prior to the transfer to MILEAP.)	Federal	NA	93,300
	GF/GP	NA	\$8,500

**Major Boilerplate Changes from FY 2023-24**

**STANDARD BOILERPLATE**

**Sec. 201. State Spending and Payments to Local Units of Government – NEW**  
Provides total state spending from state sources and payments to be made to local units of government.

**Sec. 202. Applicability of Management and Budget Act – NEW**  
Subjects appropriations to Management and Budget Act, 1984 PA 431.

**Sec. 203. Terms and Acronyms – NEW**  
Defines "Department," "DHHS," "Director," and "FTE" as they appear in the article.

## **Major Boilerplate Changes from FY 2023-24**

### ***Sec. 204. Internet Report Requirements – NEW***

Requires MiLEAP to use internet to fulfill reporting requirements; requires transmission of reports via email.

### ***Sec. 205. Purchase of Foreign Goods – NEW***

Prohibits purchase of foreign goods or services if competitively price and comparable quality American goods or services are available; gives preference to goods and services from Michigan businesses and Michigan businesses owned and operated by veterans.

### ***Sec. 206. Geographically Disadvantaged Business Enterprises – NEW***

Requires MiLEAP director to make an effort to contract with geographically disadvantaged business enterprises.

### ***Sec. 207. Out-of-State Travel – NEW***

Requires MiLEAP to report on out-of-state travel expenses in the prior year that were paid for, in whole or in part, with state appropriations.

### ***Sec. 210. Contingency Authorization – NEW***

Appropriates up to \$10.0 million in federal, \$5.0 million in state restricted, \$350,000 in local, and \$2.0 million in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items.

### ***Sec. 211. Access to State and Local Government Services – NEW***

Prohibits appropriated funds from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report any action or policy that interferes with the duties of the local health officer.

### ***Sec. 213. Standard List of Report Recipients – NEW***

Requires all reports required in boilerplate to be submitted to the House and Senate Appropriations Subcommittees on MiLEAP, the House and Senate fiscal agencies, the House and Senate policy offices, and the State Budget Office.

### ***Sec. 216. FTE Report – NEW***

Requires MiLEAP to submit quarterly reports containing FTE volumes and a comparison of actual and authorized FTE position counts.

## **OFFICE OF EDUCATION PARTNERSHIPS**

### ***Sec. 401. Family and Community Engagement – NEW***

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

## **OFFICE OF HIGHER EDUCATION**

### ***Sec. 705. Dual Enrollment Payments – NEW***

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

## **OFFICE OF EARLY CHILDHOOD EDUCATION**

### ***Sec. 1002. CDC Provider Reimbursement Rates – NEW***

Requires MiLEAP to publish reimbursement rates on its website and the Great Start to Quality webpage. Allows MDE, with the approval of the state budget director, to receive and expend federal child care development block grant funds at risk of being lapsed back to the federal government. If the average caseload falls below the caseload agreement from the consensus revenue estimating conference for three consecutive months, allows MDE, with the approval of the state budget director, to increase the hourly reimbursement rate for child care providers. Transfers in language with minor technical revisions from MDE.

### ***Sec. 1004. CDC Provider Rate Increase – NEW***

Increases reimbursement rates for child care providers by 10% from the rates established in FY 2023-24. Requires MiLEAP to publish reimbursement rates on the department webpage and the Great Start to Quality webpage.

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

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

## **Major Boilerplate Changes from FY 2023-24**

### ***Sec. 1007. CDC Annual Report – NEW***

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

### ***Sec. 1008. Home Visit Program Coordination – NEW***

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

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

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

### ***Sec. 1011. CDC Payments Based on Enrollment – NEW***

Requires MiLEAP to implement payments to providers based on enrollment rather than attendance. Transfers in language from MDE.

### ***Sec. 1012. CDC Provider Rate Increase – NEW***

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

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

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

### ***Sec. 1101. Child Care Worker Benefits – NEW***

Requires funds to be used to implement a pilot program to provide child care benefits to employees working in licensed child care programs under the CDC program. Prohibits children in care at a home-based provider where the owner of the provider is the parent or guardian of the child from receiving benefits under this program. Caps the amount of hours in a biweekly period that the child is eligible for at no greater than the number of hours the child care worker works in the same biweekly period. Provides for a work project appropriation through September 30, 2027.