

**Summary: Executive Budget Recommendation
for Fiscal Year 2025-26
LIFELONG EDUCATION, ADVANCEMENT,
AND POTENTIAL**



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	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	Difference: FY 2025-26 vs. FY 2024-25	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	505,391,000	506,428,200	1,037,200	0.2
Local	0	0	0	--
Private	250,000	1,000,000	750,000	300.0
Restricted	1,863,900	1,880,000	16,100	0.9
GF/GP	136,489,300	226,908,800	90,419,500	66.2
Gross	\$643,994,200	\$736,217,000	\$92,222,800	14.3
FTEs	343.0	354.0	11.0	3.2

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

Overview

The Department of Lifelong Education, Advancement, and Potential (MiLEAP) is responsible for administering and coordinating statewide education efforts outside of the K-12 school system, which includes child care, child care worker and facility licensing, early childhood education, out of school time, and postsecondary scholarships and transfer opportunities. The department is grouped into three offices overseeing those efforts: the Office of Early Childhood Education, which is focused on child care and child care facilities; the Office of Education Partnerships, which is focused on building relationships in child care and postsecondary arenas; and the Office of Higher Education, which is focused on postsecondary scholarships, transfers and increasing degree and credential attainment.

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations	FY 2024-25 YTD (as of 2/5/25)	Executive Change from YTD
1. Child Development and Care Caseload Costs	Gross \$499,035,800	\$63,000,000
Increases funding by \$63.0 million Gross (\$62.8 million GF/GP) to reflect increased caseload costs for the Child Development and Care (CDC) program. Includes \$184,500 GF/GP to federal Child Development and Care Fund (CCDF) fund swap due to FMAP rate adjustment. Total funding for the CDC program would be \$562.0 million Gross (\$132.3 million GF/GP).	Federal 429,525,100	184,500
	GF/GP \$69,510,700	\$62,815,500
2. Child Development and Care Federal Requirements	Gross \$0	\$50,000,000
Provides \$50.0 million GF/GP of one-time funding to partially fulfill new federal requirements for the CDC program. An estimated \$33.0 million will be used to shift to a prospective payment system to reimburse child care providers before services are rendered. Remaining funds will be used to contract services for certain populations of children, which include infants and toddlers, children with disabilities, and those in underserved geographic areas.	GF/GP \$0	\$50,000,000
3. College Success Fund and Student Wraparound Supports	Gross \$0	\$15,000,000
Provides \$15.0 million GF/GP of one-time funding for the continuation of a program originally located in the Department of Labor and Economic Opportunity that provides competitive grants to community colleges, public universities, and private colleges and universities for student support services and efforts to improve degree and certificate completion rates.	GF/GP \$0	\$15,000,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 YTD (as of 2/5/25)	Executive Change from YTD
4. Nonpublic Dual Enrollment	Gross	\$3,500,000	(\$3,500,000)
Eliminates \$3.5 million GF/GP for the nonpublic dual enrollment program, which pays the tuition of eligible nonpublic school students enrolled in postsecondary institutions. The Executive Recommendation includes proposed legislation to allow nonpublic students to enroll in dual enrollment programs through a shared time program with a local school district that would be funded through Sec. 22b in the School Aid budget.	GF/GP	\$3,500,000	(\$3,500,000)
5. Office of Education Partnerships Family and Community Engagement Program Transfer	Gross	\$1,062,500	\$1,320,700
Transfers \$1.3 million GF/GP from the Office of Great Start for the Family and Community Engagement program (identified in Item #8 below). The program assists parents and guardians become more involved in their child's education through partnerships with family engagement centers or intermediate school districts. Although not included in documents, the Executive expressed intent to transfer authorization for 7.0 FTE positions. Total funding for the Family and Community Engagement program would be \$2.4 million GF/GP.	GF/GP	\$1,062,500	\$1,320,700
6. Department of the Attorney General Services	Gross	NA	\$569,500
Provides \$569,500 GF/GP across multiple lines to cover higher than anticipated costs for services rendered by the Department of the Attorney General that were not originally included in the FY 2024-25 budget.	GF/GP	NA	\$569,500
7. Student Financial Assistance Programs MI Student Scholarship and Grants Portal and FTE Authorizations	FTE	45.0	5.0
	Gross	\$9,184,100	\$300,000
Increases funding by \$300,000 GF/GP to cover additional information technology costs for maintaining the MI Student Scholarships and Grants Portal, which is the primary administration system for state-sponsored financial aid programs. Additionally, authorizes 5.0 FTE positions to convert some employee classifications from temporary to ongoing in the Office of Sixty by 30, which works to ensure that 60% of Michigan residents obtain a postsecondary degree or skills credential by 2030. Total funding for Student Financial Assistance Programs would be \$9.5 million Gross (\$8.2 million GF/GP)	Restricted	1,254,700	0
	GF/GP	\$7,929,400	\$300,000
8. Office of Great Start Private Funding Authorization, Federal Preschool Development Funds Transfer, and Family and Community Engagement Program Transfer	Gross	\$17,824,500	(\$270,700)
Includes a net decrease of \$270,700 Gross (\$1.3 million GF/GP reduction) for the Office of Great Start. This includes the following:	Federal	14,857,000	300,000
	Private	250,000	750,000
	Restricted	64,600	0
	GF/GP	\$2652,900	(\$1,320,700)
<ul style="list-style-type: none"> Transfer of \$1.3 million GF/GP to the Office of Education Partnerships for the Family and Community Engagement program. Although not included in documents, the Executive expressed intent to transfer authorization for 7.0 FTE positions (See Item #5). Increase of \$750,000 in private revenues, for a total of \$1.0 million, for the Office of Great Start. Increased private funding was received in FY 2024-25, but the department lacked sufficient authorization to expend received funds. Transfer of \$300,000 federal from the School Aid budget for the administration of the Preschool Development Funds in Sec. 39a(2)(d) of the School Aid budget, which are used to promote and expand high-quality preschool services. The Executive expressed intent to provide authorization for an additional 4.0 FTE positions 			

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 YTD (as of 2/5/25)	Executive Change from YTD
9. Child Development and Care External Support	Gross	\$11,028,100	\$700
Provides additional \$700 federal for defined calculations from an Interdepartmental Grant with 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. Total funding for Child Development and Care External Support would be \$11.0 million Gross.	Federal	11,028,100	700
	GF/GP	\$0	\$0
10. Executive Direction and Operations Internal Accounting Administration	FTE	30.0	8.0
	Gross	\$7,531,200	\$0
Increases authorization by 8.0 FTE positions for Executive Direction and Operations to provide internal department accountants instead of using an external service. Current funding levels would remain the same.	Federal	750,000	0
	GF/GP	\$6,781,200	\$0
11. Removal of FY 2024-25 One-Time Appropriations	FTE	2.0	(2.0)
Removes \$35.0 million GF/GP of one-time funding and authorization for 2.0 FTE positions that were included in the FY 2024-25 budget to support the following:	Gross	\$35,000,000	(\$35,000,000)
	GF/GP	\$35,000,000	(\$35,000,000)
<ul style="list-style-type: none"> • Child Care Program Stabilization Grants (\$24.0 million GF/GP) • Wonderschool (\$5.0 million GF/GP) • Michigan Center for Adult College Success (\$1.8 million GF/GP) • One-Time Administration Supports (\$1.2 million GF/GP and 2.0 FTEs) • Adult Education Outreach Project (\$1.0 million GF/GP) • Foster Care Supports (\$500,000 GF/GP) • Hunger-Free Campus Grant Pilot Program (\$500,000 GF/GP) • Youth Mentorship (\$500,000 GF/GP) • After School Programming Extension (\$300,000 GF/GP) • Postsecondary Enrollment (\$166,000 GF/GP) 			
12. Economic Adjustments	Gross	NA	\$802,600
Reflects increased costs of \$802,600 Gross (\$234,500 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	Federal	NA	552,000
	Restricted	NA	16,100
	GF/GP	NA	\$234,500

Major Boilerplate Changes from FY 2024-25

Executive Boilerplate Deletions

In general, the executive budget deletes a number of boilerplate sections included in FY 2024-25 budget. The list below includes major changes to boilerplate but is not a comprehensive list of all sections proposed to be deleted.

- Communication with the Legislature (Sec. 206)
- Restricted Funds Report (Sec. 212)
- Submission of Reports (Sec. 213)
- Department Reports and Records Retention (Sec. 219)
- Department Policy Changes Made to Implement Public Acts Report (Sec. 220)
- Requirement to Expend Available Work Project Authorization (Sec. 222)
- State Fiscal Recovery Funds Reallocation Authorization (Sec. 224)
- Individual Grant Recipient Transparency (Sec. 250)
- Adult Learners Pilot Program (Sec. 1101)
- After School Programming Extension (Sec. 1102)
- Michigan Center for Adult College Success (Sec. 1103)
- Child Care Program Stabilization Grants (Sec. 1104)
- One-Time Administration Supports (Sec. 1105)
- Hunger-Free Campus Grant Pilot Program (Sec. 1106)
- Wonderschool (Sec. 1107)
- Foster Care Supports (Sec. 1108)
- Postsecondary Enrollment (Sec. 1109)
- Youth Mentorship (Sec. 1110)

Sec. 206. Communication with the Legislature – DELETED

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

Sec. 212. Restricted Funds Report – DELETED

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

Sec. 213. Submission of Reports – DELETED

Deletes language that requires the department to submit reports to the senate and house appropriation subcommittees, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office, that list the statutory or bill section requiring the report and compile, post, and maintain the reports on a public website.

Sec. 219. Department Reports and Records Retention – DELETED

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

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

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

Sec. 222. Requirement to Expend Available Work Project Authorization – DELETED

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

Sec. 224. State Fiscal Recovery Funds Reallocation Authorization – DELETED

Deletes language that directs the state budget director to reallocate state fiscal recovery funds that are in jeopardy of not meeting the expenditure deadline of December 31, 2026, and requires a notification to the Legislature within 10 days after making the reallocation.

Sec. 250. Individual Grant Recipient Transparency – DELETED

Deletes language that requires MiLEAP to follow a standard grant distribution process; establish a process to review, complete, and execute a grant agreement with a grant recipient; verify that a grant recipient will utilize funds for a public purpose; review and verify all necessary information to ensure the grant recipient is able to execute the grant agreement; and establish a timeline to review all grant elements.

Sec. 705. Dual Enrollment Payments – DELETED

Deletes language that requires dual enrollment payments to be distributed as provided under the Postsecondary Enrollment Options Act, 1996 PA 160, and the Career and Technical Preparation Act, 2000 PA 258, as determined by the department.

Major Boilerplate Changes from FY 2024-25

Sec. 1002. CDC Provider Reimbursement Rates – REVISED

Requires MiLEAP to publish reimbursement rates on its website and the Great Start to Quality webpage. Allows MiLEAP, 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. Deletes language that increases reimbursement rates for child care providers by 15% from the rates established in FY 2023-24.

Sec. 1003. Early Childhood Comprehensive Systems Annual Report – NEW

Adds language that requires MiLEAP to submit an annual report on all funding appropriated to contracts for the early childhood comprehensive systems planning.

Sec. 1007. CDC Annual Report – REVISED

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. Removes reporting language on the early childhood comprehensive systems planning and relocates to Section 1003.

Sec. 1012. CDC Provider Rate Increase – REVISED

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. Revises amount from \$3.0 million to \$1.5 million and specifies funds are appropriated from child development and care contracted services.

Sec. 1025. Receipt of Private Donations – NEW

Adds language that states private donations will be appropriated upon receipt as permitted under state and federal law; requires MiLEAP to notify the subcommittee chairs, fiscal agencies, and state budget director of the receipt and details of private donations; and prohibits private appropriations from exceeding \$3.0 million.

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

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. Revises language to direct MiLEAP to establish and support Tri-Share regional facilitator hubs and statewide services, and to create benchmarks for regional hubs that receive funding.

Sec. 1101. Child Development and Care Public Assistance One-Time Funds – NEW

Adds language that states funds would be used to begin implementing prospective payments to child care providers and begin contracting for child care services for infants, toddlers, children from underserved areas, or children who have a disability; and designates unexpended funds as a work project.

Sec. 1102. College Success Fund and Student Wraparound Supports – NEW

Adds language that states funds would be used for competitive grants to community colleges, public universities, and private institutions to support student success, retention, and completion efforts; and designates unexpended funds as a work project.

		<u>FY 2024-25 Recommendation</u>
<u>Supplemental Recommendations for FY 2024-25 Appropriations</u>		
1. Office of Great Start Private Funding Authorization		Gross \$750,000
Provides an additional \$750,000 in private revenues, for a total of \$1.0 million, for the Office of Great Start. Increased private funding was received in FY 2024-25, but the department lacks sufficient authorization to expend received funds.		Private 750,000 GF/GP \$0