

FY 2021-22: DEPARTMENT OF EDUCATION
Summary: Conference Report
Article 3, Senate Bill 82 (S-3) CR-1



Analysts: Emily Hatch and Jacqueline Mullen

| IDG/IDT | FY 2020-21 YTD as of 2/11/21 | FY 2021-22 Executive | FY 2021-22 House Omnibus | FY 2021-22 Senate | FY 2021-22 Conference | Difference: Conference From FY 2020-21 YTD | |
|-------------------|---------------------------------|-------------------------|-----------------------------|----------------------|--------------------------|---|--------------|
| | | | | | | Amount | % |
| | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | -- |
| Federal | 343,701,700 | 344,304,100 | 91,715,700 | 421,301,500 | 1,797,625,600 | 1,453,923,900 | 423.0 |
| Local | 5,872,100 | 5,870,300 | 5,870,300 | 5,870,300 | 5,870,300 | (1,800) | (0.0) |
| Private | 2,239,300 | 2,238,500 | 1,197,800 | 2,238,500 | 2,238,500 | (800) | (0.0) |
| Restricted | 9,815,500 | 9,785,400 | 3,327,700 | 10,181,700 | 9,785,400 | (30,100) | (0.3) |
| GF/GP | 90,067,100 | 168,893,100 | 33,271,500 | 90,627,000 | 96,508,100 | 6,441,000 | 7.2 |
| Gross | \$451,695,700 | \$531,091,400 | \$135,383,000 | \$530,219,000 | \$1,912,027,900 | \$1,460,332,200 | 323.3 |

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4408 as passed by the House. (4) Information on Senate budget action in this document is based on Senate Bill 84 as passed by the Senate. (5) Information on House Omnibus budget action in this document is based on House Bill 4410 as passed by the House.

Overview

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations and libraries, providing technical assistance to school districts and libraries, and providing early education and child day care support for low-income and other qualifying families.

Major Budget Changes from FY 2020-21 YTD Appropriations

| | FY 2020-21 Year-to-Date (as of 2/11/21) | FY 2021-22 Conference Change |
|--|--|---|
|--|--|---|

NOTE: House changes represent annualized appropriations for comparison purposes.

1. COVID-19 Child Care Public Assistance

Authorizes a total of \$1.5 billion federal funding from the following sources to provide child care investments from FY 2020-21 through FY 2022-23: \$292.1 million Child Care Development Block Grant (CCDBG) under the federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA); \$438.1 million CCDBG under the federal American Rescue Plan Act (ARPA); \$700.7 million CCDBG under ARPA Child Care Stabilization Fund; \$30.0 million matching award under ARP; and \$35.0 million CCDBG annual award. There is a work project request for each of the above fund sources with an estimated completion date of September 30, 2023 (See Major Boilerplate Changes for Secs. 1030 to 1034.) The plan would include the following components:

- An estimated \$108.1 million to increase the CDC entrance income eligibility threshold from 150% to 185% of the federal poverty guidelines for FY 2021-22 and FY 2022-23. (See Major Boilerplate Changes for Sec. 1009.)
- \$3.0 million (\$1.5 million each year) to continue providing mental health consultation to child care providers for FY 2021-22 and FY 2022-23. (See Major Boilerplate Changes for Sec. 1012.)
- An estimated \$158.0 million to increase provider reimbursement rates by 30% for FY 2021-22 and FY 2020-23. (See Major Boilerplate Changes for Sec. 1020.)

[continued on next page]

| | Gross | NA | \$1,495,863,500 |
|---------|--------------|-----------|------------------------|
| Federal | | NA | 1,495,863,500 |
| GF/GP | | NA | \$0 |

Major Budget Changes from FY 2020-21 YTD Appropriations

1. COVID-19 Child Care Public Assistance (continued)

- An estimated \$117.4 million to pay providers based on enrollment rather than based on attendance for FY 2021-22 and FY 2022-23. (See Major Boilerplate Changes for Sec. 1021.)
- \$700.7 million for MDE to distribute subgrants to eligible child care providers. (See Major Boilerplate Changes for Sec. 1022.)
- \$100.0 million for technical and/or financial support to new or expanding child care providers. (See Major Boilerplate Changes for Sec. 1023.)
- \$222.0 million for additional bonus pay to providers in addition to the ongoing 30% rate increases. (See Major Boilerplate Changes for Sec. 1024.)
- An estimated \$13.0 million to waive family contribution copays for the CDC program for FY 2021-22 only. (See Major Boilerplate Changes for Sec. 1025.)
- \$30.0 million to distribute child care worker bonus pay to providers based on the number of FTE child care workers needed to be fully staffed. (See Major Boilerplate Changes for Sec. 1026.)
- \$36.5 million for MDE to contract with child care providers for infant and toddler slots. (See Major Boilerplate Changes for Sec. 1027.)
- \$7.2 million to provide MDE with implementation costs for the above child care policy proposals. (See Major Boilerplate Changes for Sec. 1028.)

2. One-Time Appropriation (Partial) – Before and After School Programs

| | | |
|--------------|-----------|--------------------|
| Gross | NA | \$5,000,000 |
| GF/GP | NA | \$5,000,000 |

Conference provides \$5.0 million GF/GP (\$1.1 million ongoing and \$3.9 million one-time) for MDE to continue a FY 2020-21 School Aid Budget (See Sec. 23e, MCL 388.1623e) competitive grant program to community-based organizations for in-person before and/or after school programs for grades K-8. Revises prioritization of funding from entities located in areas without before and after school programming to entities with demonstrated need.

3. State Aid to Libraries – Funding Increase

| | | |
|--------------|---------------------|--------------------|
| Gross | \$13,067,700 | \$2,000,000 |
| GF/GP | \$13,067,700 | \$2,000,000 |

Executive and House do not include increase an increase to State Aid to Libraries. Senate includes an increase of \$2.2 million GF/GP. House Omnibus does not include. Conference includes an increase of \$2.0 million GF/GP.

4. Educator Preparation and Recruitment Programs

| | | |
|--------------|-----------|--------------------|
| FTE | NA | 1.0 |
| Gross | NA | \$1,670,000 |
| GF/GP | NA | \$1,670,000 |

Conference includes \$1.7 million GF/GP and 1.0 FTE positions for educator preparation and recruitment, with the programing split between two purposes:

- \$1.3 million for awards to districts for educator preparation program tuition, program fees, testing fees and substitute permit costs for any individual employed in grades pre-k to 12 working towards certification or an additional endorsement, and, in addition, for program costs associated with learning experiences for students in grades 6 to 12 interested in the field of education, with supervision and mentoring from educators.
- \$340,000 GF/GP and 1.0 FTE positions for teacher recruitment and preparation programs.

5. Teacher License Renewals

| | | |
|--------------|-----------|------------------|
| Gross | NA | \$280,000 |
| GF/GP | NA | \$280,000 |

Conference includes \$280,000 GF/GP to implement a program to waive fees or associated costs for former teachers whose teaching licenses have expired. (See Major Boilerplate Changes for Sec. 1100.)

| Major Budget Changes from FY 2020-21 YTD Appropriations | | FY 2020-21 Year-to-Date (as of 2/11/21) | FY 2021-22 Conference Change |
|--|--------------|--|---|
| 6. Teacher Recruitment Program | FTE | 48.0 | 0.0 |
| <u>Executive</u> provides \$2.9 million GF/GP and authorizes 0.5 FTE positions in the Educator Excellence Operations line item and provides MDE three allocations to address teacher recruitment as follows: | Gross | \$10,989,700 | \$0 |
| <ul style="list-style-type: none"> Allocates \$1.8 million and 0.5 FTE positions to comply with boilerplate Sec. 233 that requires MDE to implement a training program for students in grades 9 to 12 who are interested in teaching and are members of groups underrepresented in the teaching profession. Eligible program expenses include, but are not limited to, tuition, stipends, scholarships, books, and transportation. Allocates \$800,000 for existing teachers to participate in a competitive grant program that would award up to \$8,000 per teacher to facilitate movement into high demand and critical shortage fields. Educator preparation institutions that participate would create a custom program for teachers to complete in one year. Allocates \$320,000 to cover the cost of up to 2,000 teaching license renewals for former teachers, and requires MDE to reduce the hours of professional learning required for returning teachers. | Federal | 4,668,000 | 0 |
| | Restricted | 4,295,100 | 0 |
| | GF/GP | \$2,026,600 | \$0 |
| <u>House</u> , <u>Senate</u> , <u>House Omnibus</u> , and <u>Conference</u> do not include. | | | |
| 7. Library Pilot Program | Gross | NA | \$800,000 |
| <u>Conference</u> provides \$800,000 GF/GP for library pilot program grants to school districts in four counties for contracting for the administration of libraries of a school district. Grants to a school district may not exceed \$10,000 per library facility and a school district must employ a certified school media specialist to be eligible for a grant. The four eligible counties are Berrien, Genesee, Kent, and Mackinac. | GF/GP | NA | \$800,000 |
| 8. One-Time Appropriation – School Board Member Training | Gross | NA | \$260,000 |
| <u>Executive</u> and <u>House</u> do not include. <u>Senate</u> provides \$400,000 Certification Fees for a new school board member training reimbursement program. <u>House Omnibus</u> does not include. <u>Conference</u> concurs with Senate but only includes \$260,000 and revises the fund source to GF/GP. | Restricted | NA | 0 |
| | GF/GP | NA | \$260,000 |
| 9. One-Time Appropriation – Michigan’s Poet Laureate | Gross | NA | \$100,000 |
| <u>Executive</u> provides \$100,000 GF/GP to support a Michigan Poet Laureate program with funding for travel and events to promote poetry, the spoken word, and the literary arts. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include. <u>Conference</u> concurs with Executive, but only includes as a one-time item. | GF/GP | NA | \$100,000 |
| 10. Child Development and Care (CDC) – Public Assistance Funding Increase | Gross | \$241,622,000 | \$0 |
| <u>Executive</u> and <u>House</u> do not include. <u>Senate</u> provides \$77.0 million in federal funding for CDC Public Assistance by increasing the income entry threshold to 160% federal poverty guidelines, increasing the hourly reimbursement rate by 15%, and reducing the number of biweekly reimbursement blocks to part-time (1-55 hours) and full time (56-90 hours) blocks. <u>House Omnibus</u> and <u>Conference</u> do not include. | Federal | 202,190,700 | 0 |
| | GF/GP | \$39,431,300 | \$0 |
| 11. One-Time Appropriation – Child Care Investment Plan | Gross | NA | \$0 |
| <u>Executive</u> provides \$78.0 million GF/GP in one-time funding to continue implementing the child care investment plan from the FY 2020-21 Supplemental Recommendation noted below. <u>House</u> , <u>Senate</u> , <u>House Omnibus</u> , and <u>Conference</u> do not include. | GF/GP | NA | \$0 |

| Major Budget Changes from FY 2020-21 YTD Appropriations | | FY 2020-21 Year-to-Date (as of 2/11/21) | FY 2021-22 Conference Change |
|--|--------------|--|---|
| 12. Unclassified Reduction | FTE | NA | 0.0 |
| <u>Executive</u> does not include. <u>House</u> reduces \$796,700 Gross (\$613,900 GF/GP) and 5.0 FTEs to Unclassified Salaries. The remaining funding includes \$225,900 GF/GP and 1.0 FTE position for the state superintendents' position. This change also includes a net zero fund source shift of \$72,400 between the Unclassified Salaries and State Board/Superintendent line items. <u>Senate</u> , <u>House Omnibus</u> , and <u>Conference</u> do not include. | Gross | NA | \$0 |
| | Federal | NA | 0 |
| | Restricted | NA | 0 |
| | GF/GP | NA | \$0 |
| 13. Special Education Remote Learning Library – Virtual Learning Tools – Removal | Gross | \$1,500,000 | (\$1,500,000) |
| <u>Executive</u> and <u>House</u> do not include. <u>Senate</u> includes an increase of \$750,000 GF/GP to develop virtual learning tools for students with special needs in coordination with the Michigan Association of Administrators of Special Education. <u>House Omnibus</u> removes \$1.5 million GF/GP for the Special Education Remote Learning Library, which provides funds for the creation of content for use by special education students, teachers, and others, as well as tools to measure the needs of special education students in remote learning environments. The funds are transferred to the School Aid budget. <u>Conference</u> concurs with House Omnibus. | GF/GP | \$1,500,000 | (\$1,500,000) |
| 14. Office of Great Start Line Item Roll Up: Child Development and Care Contracted Services and T.E.A.C.H. Early Childhood Michigan Scholarship program | FTE | 65.0 | 0.0 |
| <u>Executive</u> transfers \$17.4 million of federal funding from two line items, Child Development and Care Contracted Services (\$12.4 million) and T.E.A.C.H. Early Childhood Michigan Scholarship program (\$5.0 million), to the Office of Great Start Operations. Both of these programs were included as individual line items in the FY 2019-20 budget to separate their functions and appropriations from the Office of Great Start Operations. <u>House</u> , <u>Senate</u> , <u>House Omnibus</u> , and <u>Conference</u> maintain current law. | Gross | \$13,564,300 | \$0 |
| | Federal | 11,394,400 | 0 |
| | Private | 250,000 | 0 |
| | Restricted | 64,600 | 0 |
| | GF/GP | \$1,855,300 | \$0 |
| 15. Child Development and Care (CDC) – State Matching Fund Decrease | Gross | \$241,622,000 | \$0 |
| <u>Executive</u> replaces \$1.0 million GF/GP with a corresponding amount of federal funds for the CDC program's matching funds in order to align GF/GP with the estimated amount needed to draw down the full federal Child Care Development Fund (CCDF) award. This represents an estimate because the final federal allocation for Michigan has not been appropriated at the federal level. <u>House</u> , <u>Senate</u> , <u>House Omnibus</u> , and <u>Conference</u> concur with Executive. | Federal | 202,190,700 | 1,019,600 |
| | GF/GP | \$39,431,300 | (\$1,019,600) |
| 16. Child Development and Care (CDC) – CREC Adjustments | Gross | \$241,622,000 | (\$42,542,000) |
| <u>Executive</u> , <u>House</u> , and <u>Senate</u> do not include. <u>House Omnibus</u> reduces by \$42.5 million federal funds for CREC caseload adjustment. <u>Conference</u> concurs with House Omnibus. | Federal | 202,190,700 | (42,542,000) |
| | GF/GP | \$39,431,300 | \$0 |

| <u>Major Budget Changes from FY 2020-21 YTD Appropriations</u> | <u>FY 2020-21 Year-to-Date (as of 2/11/21)</u> | <u>FY 2021-22 Conference Change</u> | |
|---|---|--|--------------------|
| 17. Economic Adjustments | Gross | NA | (\$599,300) |
| <u>Executive</u> reflects decreased costs of \$599,300 Gross (\$149,400 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> decreases by an additional \$1,800 federal for a total reduction of \$601,100 Gross. The reduction aligns the interdepartmental grant (IDG) that the Department of Licensing and Regulatory Affairs and Department of Health and Human Services receive through the MDE External Support line item. <u>Senate</u> concurs with all executive recommended economic adjustments except for the \$27,400 increase to Unclassified Salaries. The Senate does not include that increase. <u>House Omnibus</u> and <u>Conference</u> concur with Executive. | Federal | NA | (417,200) |
| | Local | NA | (1,800) |
| | Private | NA | (800) |
| | Restricted | NA | (30,100) |
| | GF/GP | NA | (\$149,400) |

Boilerplate Changes from FY 2020-21

Executive DELETED but House, Senate, House Omnibus, and Conference RETAINED the following boilerplate sections:

- State Administrative Board Transfer (Sec. 218)
- Report on Policy Changes Made to Implement Public Acts Affecting Department (Sec. 221)
- Communication with the Legislature (Sec. 222)
- Records Retention (Sec. 223)
- Expending Available Work Project Authorization (Sec. 224)
- Federal Accountability Plans (Sec. 229)
- Nonpublic School Mandates (Sec. 230)
- Due Process Hearings (Sec. 409)
- Felony Conviction Files (Sec. 501)
- Early Childhood Investment Corporation Annual Report (Sec. 1003)
- CDC T.E.A.C.H. Early Childhood Michigan Scholarship Program (Sec. 1004)
- CDC Funding Changes (Sec. 1010)

Sec. 210. Contingency Funds – REVISED

Appropriates \$5.0 million federal, \$400,000 state restricted, \$250,000 local, and \$1.5 million private in contingency funds, which must be transferred appropriately by the legislature prior to expenditure.

Executive revises the amount of contingency funds, which must be transferred by the legislature prior to expenditure as follows: revises federal from \$5.0 million to \$10.0 million; revises state restricted from \$400,000 to \$700,000; maintains local at \$250,000; and revises private from \$1.5 million to \$3.0 million. House and Senate delete this section. House Omnibus maintains current law. Conference maintains current amount but revises to replace the word "funds" with "authorization" after each instance of the word "contingency."

Sec. 213. Department Scorecard – RETAINED

Requires MDE to maintain on a publicly accessible website a department scorecard that identifies, tracks, and updates key metrics used to monitor and improve department performance.

Executive maintains current law. House revises this section to reference the MDE effectiveness survey required under Sec. 235. Senate, House Omnibus, and Conference maintain current law.

Sec. 216. FTE Vacancies and Remote Work Report – REVISED

Requires MDE to report data quarterly on full-time equated (FTE) positions, as well as a comparison of authorized FTEs and employed FTEs. Additionally, requires MDE to report by April 1, of the current fiscal year and semiannually thereafter, data on the number of employees working remotely, as well as the cost savings and reduced work space associated with remote work.

Executive deletes this section. House and Senate maintain current law. House Omnibus revises to require MDE to report on FTEs semiannually, as well as to report on remote work by March 1 of the current fiscal year. Conference revises to require MDE to report on remote work by March 1 and removes the requirement to report semiannually thereafter.

Boilerplate Changes from FY 2020-21

Sec. 219. Kindergarten Entry Assessment Participation – DELETED

Requires MDE to ensure that the kindergarten entry assessment include a method for information to be provided regarding a child's participation in the Great Start Readiness Program.

Executive and House delete this section. Senate retains this section. House Omnibus and Conference delete this section.

Sec. 225. Severance Pay Reporting – NEW

House requires MDE to report on any amounts of severance pay for high-ranking department officials within 14 days of the severance agreement signing, maintain a website that posts severance pay in excess of 6 weeks wages, and reports the total amount of severance pay for FY-2020-21. Senate does not include this section. House Omnibus and Conference concur with House.

Sec. 227. Vaccine Passport – NEW

House requires that MDE not require proof of COVID-19 vaccination as a condition of accessing state services or facilities, produce a vaccine passport, or provide this information to an outside entity for the purpose of creating a vaccine passport. Senate does not include this section. House Omnibus concurs with House. Conference revises language to prohibit any department, agency, board, commission, or public officer that receives funding from the bill from doing the following: requiring that an individual provide proof of receiving a COVID-19 vaccine as a condition of accessing state services or facilities, except as provided by federal law or as a condition of receiving federal Medicare or Medicaid funding; produce, develop, or issue a COVID-19 vaccine passport; develop a database or make any existing database publicly available to access an individual's COVID-19 vaccine status by any person, company, or governmental entity; require as a condition of employment that an employee or official provide proof that he or she has received a COVID-19 vaccine; and subjecting any individual to negative employment consequences, retaliation, or retribution because of their vaccine status. The language does not prohibit transmitting proof of vaccine status if the individual provides affirmative consent and requires exemptions be provided to the following individuals if a vaccine policy is required due to a federal mandate: individual for who a physician certifies that a vaccine is or may be detrimental to the individual's health and an individual who provides a written statement to the effect that the requirements of the vaccine policy cannot be met because of religious convictions or other consistently held objection to immunization.

Sec. 231. Child Protection Law Reporting – DELETED

Requires MDE to report to districts, ISDs, and PSAs task force recommendations for reducing child sexual abuse as required by section 12b of the Child Protection Law, MCL 722.632b.

Executive and House delete this section. Senate and House Omnibus retain this section. Conference deletes this section.

Sec. 233. Teacher Recruitment Program – DELETED

Requires MDE to implement a training program for pupils in grades 9 to 12 who are interested in teaching and are members of groups underrepresented in the teaching profession.

Executive revises the requirements MDE must do to implement a training program for students in grades 9 to 12 who are interested in teaching and are members of groups of underrepresented in the teaching profession as follows: revises from creating a process for nomination and admission of students to the program to recruiting districts to make the program available for their students and implementing a competitive grant to support program costs; maintains the requirement to advertise the program; revises to add that MDE would "provide districts with resources" to invite teacher preparation programs in Michigan to participate in the training program; revises to add that the required conferences for students in the program take place in at least three geographically convenient locations from providing no minimum number of locations; revises the recipients of available research and resources from students and postsecondary institutions to districts offering the training program. House, Senate, House Omnibus, and Conference delete this section.

Sec. 234. College Acceleration Program Report – DELETED

Requires MDE to complete a study by May 1, 2021 regarding issues of school enrollment, performance, and outcomes related to college acceleration programs.

Executive and House delete this section. Senate retains this section. House Omnibus and Conference delete this section.

Boilerplate Changes from FY 2020-21

Sec. 235. Effectiveness Survey – NEW

House requires MDE to administer, and report on the results of, an effectiveness survey administered to educators and related stakeholders who interact with the department. Results must be updated on the MDE scorecard, as required under Section 213, on a monthly basis. Senate does not include this section. House Omnibus concurs with House, but removes the requirement for MDE to update the survey summary results on a monthly basis. Conference revises as follows: changes the survey participants from "educators and related stakeholders" to "teachers, paraprofessionals, and administrators"; removes specific questions as noted in boilerplate to require MDE to provide a survey that focuses on transactions that occur through the Michigan Online Educator Certification System and professional development offered by the department; includes information on the survey recipient's viewpoint of MDE and rating of their interactions and the recipient's insight on MDE's effectiveness in achieving goals within Michigan's Top 10 Strategic Education Plan; removes the requirement that MDE administer the survey on an ongoing basis and instead requires MDE to prepare a report of the survey results and submit it to the House and Senate appropriations committees by June 1, 2022.

Sec. 351. Special Education Remote Learning Library – DELETED

Allocates \$1.5 million to an association for administrators of special education services to develop and make available content for use by special education students, teachers, and others. The funds may also be used for tools to measure the needs of students with special needs in remote learning environments, as well as to identify any available federal funds for research related to special education in remote learning. House Omnibus and Conference delete this section.

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

Requires MDE to set the entrance income threshold for the CDC program at 130% of the federal poverty guidelines from October 1, 2020 to December 31, 2020, and then revise the entrance income threshold to 150% of the federal poverty guidelines from January 1, 2021 to September 30, 2021.

Executive revises to increase the entrance income threshold for the CDC program from 150% of the federal poverty guidelines to 200%. (As noted above in Major Budget Changes this change would be funded through a combination of FY 2020-21 federal authorization appropriations and FY 2021-22 one-time GF/GP appropriations. The child care investment plan would increase the entrance income threshold from 150% to 200% of the federal poverty guidelines from April 1, 2021 to September 30, 2022, and then permanently set the threshold at 160% of the federal poverty guidelines in FY 2022-23.) House revises to increase the entrance income threshold for the CDC program from 150% of the federal poverty guidelines to 180%. Senate revise to increase the entrance income threshold for the CDC program from 150% of the federal poverty guidelines to 160%. House Omnibus maintains the entrance income threshold for the CDC program at 150% of the federal poverty guidelines. Conference revises the income entrance eligibility threshold to 185% of the federal poverty guidelines, but includes the following new conditions: that if the average number of paid children in the CDC program is more than 40,000 for 3 consecutive months, then MDE is required to create a waiting list and begin the administrative process to decrease the income entrance eligibility threshold to not less than 160% of the federal poverty guidelines for the following month; and that if the average number of paid children in the CDC program is less than 32,000 by March 31, 2022, then MDE may increase the income entrance eligibility threshold up to 200% of the federal poverty guidelines.

Sec. 1012. Child Mental Health – NEW

Conference requires MDE to work in collaboration with the Michigan Department of Health and Human Services (DHHS) to continue the network of infant and early childhood mental health consultation which provides mental health consultation to child care providers.

Sec. 1020. Provider Reimbursement Rate Increase – NEW

Conference requires MDE to increase CDC provider reimbursement rates by 30% from the rates enacted in the FY 2021 MDE budget, rounded up to the nearest \$0.05.

Sec. 1021. Payment Based on Enrollment Rather Than Attendance – NEW

Conference requires MDE to make payments to child care providers for eligible children in the CDC program based on enrollment rather than based on attendance for FY 2021-22 and FY 2022-23.

Boilerplate Changes from FY 2020-21

Sec. 1022. Stabilization Grants – NEW

Conference requires MDE to create the child care stabilization grant program to provide subgrants to eligible providers. Requires MDE to distribute the grants through 2 rounds, with the first round occurring as soon as possible, and the application process for the second round beginning within 3 months of the conclusion of the first round.

Requires the MDE to publicly post on its website the criteria, and associated weighting, used to determine the subgrant awards. The required criteria include all of the following: a base rate amount tied to the number of licensed slots at the provider, the type of provider, and whether the provider services infants and toddlers; and additional bonus payments for the number of employees and for providers that are serving subsidy children, children with special needs, offering nontraditional hours, and that have a published quality rating.

To be eligible for a grant, providers must certify that they implement policies in line with Child Care Development Fund health and safety guidance, continue to pay at least the same wages and same benefits for staff, and to the extent possible, provide relief from co-pays and tuition for parents.

Finally, requires MDE to use a portion of the funds from CRRSA to fund unpaid, eligible grant applications from Round 6 of the Child Care Relief Fund.

Sec. 1023. Support for New and Expanding Child Care Providers– NEW

Conference requires MDE to use funds for technical and/or financial support to new or expanding child care providers. Requires at least 50% of funds to be used to provide technical support or support for the start-up costs for new and expanding providers. Requires up to 50% of funds to be used for facility improvements as permissible under the applicable federal guidelines, with preference given to providers that have projects that have begun or are ready to begin once additional funding is available. Permits unused funds under facility improvements to go towards the purpose of technical support if the funds for technical support are fully expended and MDE has distributed all possible funds for facility improvements.

Sec. 1024. Temporary Bonus Payment for Child Care Providers – NEW

Conference requires MDE to provide temporary bonus reimbursement payments to child care providers in addition to the ongoing 30% rate increase (See Sec. 1020 above) for an estimated 39 consecutive biweekly pay periods over the course of FY 2021-22 and FY 2022-23. The scheduled bonus reimbursement payment rates are as follows: for the first 13 biweekly pay periods, 50% above the rate established in Sec. 1020; for the second 13 biweekly pay periods, 40% above the rate established in Sec. 1020; for the third 13 biweekly pay periods, 30% above the rate established in Sec. 1020; and for any remaining balance of funds after 39 biweekly pay periods, not more than 30% above the rate established in Sec. 1020 until all remaining funds have been expended.

Sec. 1025. Copay Waivers – NEW

Conference requires MDE to pay on a family's behalf the CDC program's required family contribution for FY 2021-22 only.

Sec. 1026. Bonus Pay for Child Care Workers – NEW

Conference requires MDE to develop an application process and distribute child care worker bonus pay to providers based on the number of current full time equivalent (FTE) child care workers and the number of additional FTE child care workers a provider needs to be fully staffed. The application and distribution may be part of the stabilization grant process (Sec. 1022 noted above). Requires providers to agree to return funds if it is determined that they did not use the bonus pay for allowable purposes and within certain time periods.

Sec. 1027. Contracts for Infant and Toddler Slots – NEW

Conference requires MDE to contract with child care providers for infant and toddler slots, with the intended purpose to increase the supply of these slots in Michigan. Requires MDE to award contracts to providers in diverse geographical regions where there are shortages of infant and toddler child care services, and allows MDE to pay market rates for the slots.

Sec. 1028. Department Administrative Funding – NEW

Conference provides MDE with funds for implementation costs.

Sec. 1030. Work Project: ARP – Child Care Stabilization – NEW

Conference designates ARP – child care stabilization as a work project appropriation with an estimated completion date of September 30, 2023.

Sec. 1031. Work Project: CRRSA – Child Care Stimulus – NEW

Conference designates CRRSA – child care stimulus as a work project appropriation with an estimated completion date of September 30, 2023.

Boilerplate Changes from FY 2020-21

Sec. 1032. Work Project: ARP- Child Care Stimulus – NEW

Conference designates ARP – child care stimulus as a work project appropriation with an estimated completion date of September 30, 2023.

Sec. 1033. Work Project: Child Care Award – NEW

Conference designates Child care award as a work project appropriation with an estimated completion date of September 30, 2023.

Sec. 1034. Work Project: ARP – Child Care Entitlement – NEW

Conference designates ARP – child care entitlement as a work project appropriation with an estimated completion date of September 30, 2023.

Sec. 1100. School Board Training – NEW

Senate requires MDE to approve one or more eligible training programs for school board members. Areas of training include conflicts of interest, labor relations, education law, school finance, and board governance. House Omnibus does not include this section. Conference revises reimbursement process from individual members requesting reimbursement from MDE to requiring board members to apply for reimbursement through their district and for MDE to reimburse districts.

Sec. 1101. Educare – DELETED

Requires MDE to award funds from part 1 to an early childhood collaborative that serves students in Genesee County to continue the expansion of early childhood services because of a drinking water declaration of emergency. Executive, House, Senate, House Omnibus, and Conference delete this section.