

**DEPARTMENT OF EDUCATION
Summary of FY 2021-22 Enacted
Public Act 87 of 2021 (Senate Bill 82, Article 3)**

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IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Enacted	Difference: Enacted From FY 2020-21 YTD	
			Amount	%
	\$0	\$0	\$0	--
Federal	343,701,700	1,797,625,600	1,453,923,900	423.0
Local	5,872,100	5,870,300	(1,800)	(0.0)
Private	2,239,300	2,238,500	(800)	(0.0)
Restricted	9,815,500	9,785,400	(30,100)	(0.3)
GF/GP	90,067,100	96,508,100	6,441,000	7.2
Gross	\$451,695,700	\$1,912,027,900	\$1,460,332,200	323.3
FTEs	620.5	621.5	1.0	0.2

Notes:

- (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021.
- (2) Appropriation figures include all proposed appropriation amounts, including amounts designated as "one-time".

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

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]*

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
Gross	NA	\$1,495,863,500
Federal	NA	1,495,863,500
GF/GP	NA	\$0

EDUCATION (DEPARTMENT)

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change	
Major Budget Changes from FY 2020-21 YTD Appropriations			
1. COVID-19 Child Care Public Assistance (continued)			
<ul style="list-style-type: none">• 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 GF/GP	NA NA	\$5,000,000 \$5,000,000
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 GF/GP	\$13,067,700 \$13,067,700	\$2,000,000 \$2,000,000
Includes an increase of \$2.0 million GF/GP to State Aid to Libraries.			
4. Educator Preparation and Recruitment Programs	FTE Gross GF/GP	NA NA NA	1.0 \$1,670,000 \$1,670,000
Includes \$1.7 million GF/GP and authorizes 1.0 FTE position for educator preparation and recruitment, with the programing split between two purposes:			
<ul style="list-style-type: none">• \$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 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 position for teacher recruitment and preparation programs.			
5. Teacher License Renewals	Gross GF/GP	NA NA	\$280,000 \$280,000
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. 502.)			

EDUCATION (DEPARTMENT)

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 Enacted Change
6. Library Pilot Program	Gross	NA	\$800,000
Provides \$800,000 GF/GP for library pilot program grants to school districts in four counties. The grants are for contracts for the administration of libraries of a school district by a librarian with a public librarian certificate issued by the Library of Michigan. 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
7. One-Time Appropriation – School Board Member Training	Gross	NA	\$260,000
Includes \$260,000 one-time GF/GP for a new school board member training reimbursement program.	GF/GP	NA	\$260,000
8. One-Time Appropriation – Michigan’s Poet Laureate	Gross	NA	\$100,000
Provides \$100,000 one-time 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.	GF/GP	NA	\$100,000
9. Special Education Remote Learning Library – Virtual Learning Tools – Removal	Gross	\$1,500,000	(\$1,500,000)
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.	GF/GP	\$1,500,000	(\$1,500,000)
10. Child Development and Care (CDC) – State Matching Fund Decrease	Gross	\$241,622,000	\$0
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.	Federal	202,190,700	1,019,600
	GF/GP	\$39,431,300	(\$1,019,600)
11. Child Development and Care (CDC) – CREC Adjustments	Gross	\$241,622,000	(\$42,542,000)
Reduces by \$42.5 million federal funds for May 2021 CREC caseload adjustment.	Federal	202,190,700	(42,542,000)
	GF/GP	\$39,431,300	\$0
12. Economic Adjustments	Gross	NA	(\$599,300)
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.	Federal	NA	(417,200)
	Local	NA	(1,800)
	Private	NA	(800)
	Restricted	NA	(30,100)
	GF/GP	NA	(\$149,400)

Major Boilerplate Changes from FY 2020-21

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

Revises to require MDE to report by March 1, rather than April 1, of the current fiscal year, data on the number of employees working remotely, as well as the cost savings and reduced workspace associated with remote work. Maintains requirement of MDE to report data quarterly on full-time equated (FTE) positions, as well as a comparison of authorized FTEs and employed FTEs.

Sec. 219. Kindergarten Entry Assessment Participation – DELETED

Deletes the requirement for MDE to ensure that the kindergarten entry assessment includes a method for information to be provided regarding a child’s participation in the Great Start Readiness Program.

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Major Boilerplate Changes from FY 2020-21

Sec. 225. Severance Pay Reporting – NEW

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 of wages, and reports the total amount of severance pay for FY 2020-21.

Sec. 227. Vaccine Passport – NEW

Prohibits 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

Deletes a requirement that MDE 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.

Sec. 233. Teacher Recruitment Program – DELETED

Deletes a requirement that MDE 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.

Sec. 234. College Acceleration Program Report – DELETED

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

Sec. 235. Effectiveness Survey – NEW

Requires MDE to administer a survey that allows teachers, paraprofessionals, and administrators to provide feedback on their interactions with the department. Requires the survey to focus on transactions that occur through the Michigan Online Educator Certification System and professional development offered by the department; include 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. 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

Deletes an allocation of \$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.

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

Revises to increase the entrance income threshold for the CDC program from 130% to 185% of the federal poverty guidelines. Revises to include the following conditions for the entrance income threshold: 1) 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 2) 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

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. CDC Provider Reimbursement Rate Increase – NEW

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.

Major Boilerplate Changes from FY 2020-21

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

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.

Sec. 1022. Child Care Stabilization Grants – NEW

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 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

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

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

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

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

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

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

Provides MDE with \$7.2 million from the funds appropriated in part 1 for implementation costs.

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

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

EDUCATION (DEPARTMENT)

Major Boilerplate Changes from FY 2020-21

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

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

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

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

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

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

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. Requires board members to apply for reimbursement through their district and for MDE to reimburse districts.

Sec. 1101. Educare – DELETED

Deletes a requirement that MDE 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.

FY 2020-21 Supplemental Appropriation Items
Public Act 82 of 2021 (Senate Bill 82, Article 14)

1. Library Technology Services

Includes \$4.2 million in federal ARPA funding to provide financial support to libraries in Michigan.

**Appropriation
Change**

Gross	\$4,171,600
Federal	4,171,600
GF/GP	\$0