

FY 2025-26: LIFELONG EDUCATION, ADVANCEMENT, AND POTENTIAL

Summary: As Passed by the Senate Senate Bill 164 (S-2)



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	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	FY 2025-26 Senate	Difference: Senate From FY 2024-25 YTD	
				Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	--
Federal	505,391,000	506,428,200	506,428,200	1,037,200	0.2
Local	0	0	0	0	--
Private	250,000	1,000,000	1,000,000	750,000	300.0
Restricted	1,863,900	1,880,000	1,880,000	16,100	0.9
GF/GP	136,489,300	226,908,800	246,908,800	110,419,500	80.9
Gross	\$643,994,200	\$736,217,000	\$756,217,000	\$112,222,800	17.4
FTEs	343.0	354.0	354.0	11.0	3.3

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.

		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Senate Change
Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations			
1. Child Development and Care Caseload Costs			
<u>Executive</u> 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). <u>Senate</u> concurs and adds \$23.0 million GF/GP to increase child care provider payments. Total funding for the CDC program would be \$585.0 million Gross (\$155.3 million GF/GP)	Gross	\$499,035,800	\$86,000,000
	Federal	429,525,100	184,500
	GF/GP	\$69,510,700	\$85,815,500
2. Child Development and Care Federal Requirements			
<u>Executive</u> 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. <u>Senate</u> concurs but provides \$40.0 million GF/GP of one-time funding for the CDC program.	Gross	\$0	\$40,000,000
	GF/GP	\$0	\$40,000,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Senate Change
3. College Success Fund and Student Wraparound Supports		Gross	\$0
<u>Executive</u> 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. <u>Senate</u> concurs but provides \$16.0 million GF/GP of one-time funding and specifies that \$1.0 million must be used for Hunger-Free Campus grants to community colleges and public and private universities.		GF/GP	\$0
			\$16,000,000
			\$16,000,000
4. Expansion Grants		Gross	\$0
<u>Senate</u> provides \$4.0 million GF/GP of one-time funding to provide grants to Head Start providers to expand child care services.		GF/GP	\$0
			\$3,990,000
			\$3,990,000
5. Nonpublic Dual Enrollment		Gross	\$3,500,000
<u>Executive</u> 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. <u>Senate</u> concurs.		GF/GP	\$3,500,000
			(\$3,500,000)
			(\$3,500,000)
6. Reenrollment Recruitment		Gross	\$0
<u>Senate</u> provides \$2.0 million GF/GP to increase the recruitment and reenrollment of college stop-out students, which are students who temporarily leave postsecondary education with the intention of returning at a later date.		GF/GP	\$0
			\$2,000,000
			\$2,000,000
7. Office of Education Partnerships Family and Community Engagement Program Transfer		Gross	\$1,062,500
<u>Executive</u> transfers \$1.3 million GF/GP from the Office of Great Start for the Family and Community Engagement program (identified in Item #10 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. <u>Senate</u> concurs.		GF/GP	\$1,062,500
			\$1,320,700
			\$1,320,700
8. Department of the Attorney General Services		Gross	NA
<u>Executive</u> 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. <u>Senate</u> concurs.		GF/GP	NA
			\$569,500
			\$569,500
9. Student Financial Assistance Programs MI Student Scholarship and Grants Portal and FTE Authorizations		FTE	45.0
		Gross	\$9,184,100
<u>Executive</u> 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). <u>Senate</u> concurs.		Restricted	1,254,700
		GF/GP	\$7,929,400
			\$300,000
			\$300,000

Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations		FY 2024-25 Year-to-Date (as of 2/5/25)	FY 2025-26 Senate Change
10. 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)
<u>Executive</u> 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	\$2,652,900	(\$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 #7). 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. 			
<u>Senate</u> concurs.			
11. Dual Enrollment Task Force		Gross NA	\$10,000
<u>Senate</u> provides \$10,000 GF/GP of one-time funding for the creation of a task force to examine and make recommendations about improving the dual enrollment program.		GF/GP NA	\$10,000
12. Child Development and Care External Support		Gross \$11,028,100	\$700
<u>Executive</u> 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. <u>Senate</u> concurs.	Federal	11,028,100	700
	GF/GP	\$0	\$0
13. Executive Direction and Operations Internal Accounting Administration		FTE 30.0	8.0
<u>Executive</u> 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. <u>Senate</u> concurs.	Gross	\$7,531,200	\$0
	Federal	750,000	0
	GF/GP	\$6,781,200	\$0
14. Removal of FY 2024-25 One-Time Appropriations		FTE 2.0	(2.0)
<u>Executive</u> 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) 			
<u>Senate</u> concurs.			

<u>Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations</u>		<u>FY 2024-25 Year-to-Date (as of 2/5/25)</u>	<u>FY 2025-26 Senate Change</u>
15. Economic Adjustments	Gross	NA	\$802,600
<u>Executive</u> 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. <u>Senate</u> concurs.	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)

Senate concurs with Sec. 219, Sec. 224, and Sections 1101 through 1110.

Sec. 205. Purchase of Foreign Goods – REVISED

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. Senate adds preference for goods and services that are manufactured in union employed facilities.

Sec. 206. Communication with the Legislature – RETAINED

Executive deletes language that prohibits MiLEAP from taking disciplinary action against an employee for communicating with a legislator or staff. Senate retains.

Sec. 212. Restricted Funds Report – RETAINED

Executive 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. Senate retains.

Sec. 213. Submission of Reports – RETAINED

Executive 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. Senate retains.

Sec. 219. Department Reports and Records Retention – DELETED

Executive 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. Senate concurs.

Major Boilerplate Changes from FY 2024-25

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

Executive 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. Senate retains but revises as Sec. 219.

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

Executive 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. Senate retains.

Sec. 223. Prioritization of Federal and Private Funding – NEW

Senate adds language that prohibits general fund expenditures if federal or private grant funding is available for the same expenditure.

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

Executive 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. Senate concurs.

Sec. 225. Unenforceable Boilerplate Report – NEW

Senate adds language requiring MiLEAP to issue a report on any boilerplate section declared unenforceable by the Executive, along with legal rationale behind the declaration and a cost estimate if any program operations are impacted by the sections declared unenforceable.

Sec. 226. Federal Policy Changes Impact Report – NEW

Senate adds language requiring MiLEAP to issue a quarterly report on the impacts that federal policy changes have on the department, associated populations that engage with or are served by the department, and regulations that protect the public.

Sec. 228. Expenditure of State Fiscal Recovery Funds – NEW

Senate adds language requiring the state budget director to expend all state fiscal recovery funds by December 31, 2026, and directs MiLEAP to issue a report if funds are projected to lapse.

Sec. 250. Individual Grant Recipient Transparency – REVISED

Executive 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. Senate revises as Sec. 224 with various modifications to the grant distribution, review, and verification process.

Sec. 703. Reenrollment Recruitment of College Stop-Outs – NEW

Senate adds language that allows MiLEAP to contract with private organizations to prioritize the reenrollment of students who temporarily step away from postsecondary enrollment, also known as college stop-outs.

Sec. 705. Dual Enrollment Payments – DELETED

Executive 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. Senate concurs.

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. Executive deletes language that increases reimbursement rates for child care providers by 15% from the rates established in FY 2023-24. Senate concurs but adds language specifying \$23.0 million is appropriated for child care provider reimbursement.

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

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

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. Executive removes reporting language on the early childhood comprehensive systems planning and relocates to Section 1003. Senate concurs.

Major Boilerplate Changes from FY 2024-25

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. Executive revises amount from \$3.0 million to \$1.5 million and specifies funds are appropriated from child development and care contracted services. Senate maintains amount at \$3.0 million but concurs with fund specification.

Sec. 1025. Receipt of Private Donations – NEW

Executive 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. Senate concurs.

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. Executive 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. Senate concurs.

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

Executive 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. Senate concurs.

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

Executive 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. Senate concurs but adds language that states \$1.0 million is for Hunger-Free Campus grants at community colleges, public and private universities.

Sec. 1103. Dual Enrollment Task Force – NEW

Senate adds language that states funds would be used to support a task force to recommend improvements to the dual enrollment system, specifies task force duties and appointees, and requires a report submitted by September 30, 2026.

Sec. 1104. Expansion Grants – NEW

Senate adds language that states funds would be used for grants to Head Start providers seeking to expand services to include child care and designates unexpended funds as a work project.