

FY 2019-20: DEPARTMENT OF EDUCATION
Summary: Enacted with Vetoes and Ad Board Transfers
Public Act 63 of 2019, House Bill 4232



Analyst: Samuel Christensen

IDG/IDT	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	298,074,500	332,152,900	300,765,100	318,152,900	315,342,100	17,267,600	5.8
Local	5,852,800	5,893,400	5,893,400	5,893,400	5,893,400	40,600	0.7
Private	2,035,800	2,036,200	2,036,200	2,036,200	2,036,200	400	0.0
Restricted	8,668,200	9,050,000	8,787,200	8,750,000	9,300,000	631,800	7.3
GF/GP	91,503,600	87,212,000	86,741,500	87,212,000	87,212,000	(4,291,600)	(4.7)
Gross	\$406,134,900	\$436,344,500	\$404,223,400	\$422,044,500	\$419,783,700	\$13,648,800	3.4
FTEs	620.5	620.5	620.5	620.5	620.5	0.0	0.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years 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 2018-19 YTD Appropriations

1. Department Administrative Reserve Funds – UNENFORCEABLE/AD BOARD TRANSFER

Conference includes \$104.9 million Gross for MDE to expend in the FY 2019-20 budget without legislative transfer request approval. Conference creates a new unit 118, Department Administrative Reserve Funds, that includes \$314.9 million Gross that is split evenly into three different reserve funds with \$104.9 million Gross in each fund. The funds in each reserve fund cannot be expended unless a legislative transfer request is issued by the State Budget Office (SBO) and approved by the legislature. Additionally, it is legislative intent that MDE satisfy all of the following requirements (see Major Boilerplate Changes for Secs. 236, 237, and 238):

- Demonstrates that the grants in the State School Aid Act and federal grants that have been received by MDE are distributed.
- Demonstrates that a distribution schedule exists for those grants in the State School Aid Act and those federal grants that have not yet been received and are anticipated before the end of the fiscal year.
- Provides a report to the House and Senate appropriation committees, the House and Senate fiscal agencies, and the State Budget Office (SBO) to demonstrate how the requested funds would be used.
- For Department Administrative Reserve Fund 2 only (Sec. 237), publishes the information as required by section 1280g of the Revised School Code, MCL 380.1280g, by March 31, 2020.

[continued on next page]

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Gross	NA	NA
Federal	NA	NA
Local	NA	NA
Private	NA	NA
Restricted	NA	NA
GF/GP	NA	NA

Major Budget Changes From FY 2018-19 YTD Appropriations

**FY 2018-19
Year-to-Date
(as of 3/5/19)**

**FY 2019-20
Enacted
Change**

**1. Department Administrative Reserve Funds – UNENFORCEABLE/
AD BOARD TRANSFER (continued)**

Ad Board transfers \$104.9 million Gross from each of the three department administrative reserve funds (\$314.9 million total) and provides full-year funding to each corresponding line item and fund source. Leaves \$100 federal placeholder for each reserve fund. (Signing letter states budget structure is unenforceable.)

2. Labor Day Start Study Report – VETOED

Veto removes \$10,800 federal funding from the accountability services operations line item for a Labor Day study report.

Gross	\$14,828,600	(\$10,800)
Federal	12,652,400	(10,800)
GF/GP	\$2,176,200	\$0

3. Child Development and Care (CDC) – Provider Reimbursement Rate Increase

Executive includes \$16.4 million in federal funding to increase reimbursement rates for childcare providers delivering services through the CDC program beginning January 1, 2020. This represents three quarters of the estimated annual cost of \$21.9 million. The stated purpose of the increase is to better retain and incentivize providers to join the program and to increase the quality of care that Michigan’s children receive in the program. Provider reimbursement rates would increase between \$0.20 and \$0.50 per hour depending on the age of the child and the Great Start to Quality star rating of the provider. (See Major Boilerplate Changes for Sec. 1002 for additional information on the rate increase.)

Gross	\$202,000,000	\$15,000,000
Federal	162,570,300	15,000,000
GF/GP	\$39,429,700	\$0

House does not include.

Senate concurs with Executive.

Conference includes \$15.0 million in federal funding to increase reimbursement rates for childcare providers. Licensed providers would receive a \$0.30 increase for children aged 0-5 and a \$0.20 increase for children aged 5 and older. License-exempt providers with a level 1 status would receive a \$0.15 increase, and those with a level 2 status would receive a \$0.05 increase.

4. CDC – Entrance Eligibility Threshold Increase

Executive includes \$13.6 million in federal funding to increase the entrance eligibility threshold from 130% of the federal poverty guidelines to 140% of the federal poverty guidelines beginning January 1, 2020. This represents three quarters of the estimated annual cost of \$18.1 million. Currently, Michigan has set the entrance threshold at 130% of the federal poverty guidelines and serves families with an annual income below \$26,556 for a family size of three. The Executive recommendation would increase the entrance threshold to 140% of the federal poverty guidelines, which would serve families with an annual income up to \$29,092 for a family size of three.

Gross	\$202,000,000	\$0
Federal	162,570,300	0
GF/GP	\$39,429,700	\$0

House includes a \$100 placeholder to increase the entrance eligibility threshold from 130% to up to 135%. (See Major Boilerplate Changes for Sec. 1009 for additional information.)

Senate and Conference do not include.

<u>Major Budget Changes From FY 2018-19 YTD Appropriations</u>		<u>FY 2018-19 Year-to-Date (as of 3/5/19)</u>	<u>FY 2019-20 Enacted Change</u>
5. CDC – Infant/Toddler and Program Quality Spending Increase – Office of Great Start Operations	Gross	\$12,350,000	\$900,000
<u>Executive</u> includes \$3.6 million in federal funding to ensure continued compliance with federal requirements on infant/toddler and program quality spending for the CDC program beginning January 1, 2020. This represents three quarters of the estimated annual cost of \$4.8 million. <u>House</u> concurs with <u>Executive</u> . <u>Senate</u> includes \$1.6 million in federal funding as a two-part increase (items 5 and 6) for infant/toddler and program quality spending. The Senate increases both Office of Great Start Operations by \$1.6 million and Child Development and Care Contracted Services by \$1.6 million, for a total increase of \$3.2 million. <u>Conference</u> concurs with <u>Senate</u> but revises amount to \$900,000.	Federal	10,195,500	900,000
	Private	250,000	0
	Restricted	64,600	0
	GF/GP	\$1,839,900	\$0
6. CDC – Infant/Toddler and Program Quality Spending Increase – Child Development and Care Contracted Services	Gross	\$11,500,000	\$900,000
<u>Senate</u> includes \$1.6 million in federal funding as a two-part increase (items 5 and 6) for infant/toddler and program quality spending increases. The Senate increases both Office of Great Start Operations by \$1.6 million and Child Development and Care Contracted Services by \$1.6 million, for a total increase of \$3.2 million. <u>Conference</u> concurs with <u>Senate</u> but revises amount to \$900,000.	Federal	11,500,000	900,000
	GF/GP	\$0	\$0
7. Automated External Defibrillators	Gross	NA	\$0
<u>House</u> includes \$250,000 GF/GP in one-time funding for MDE to provide grants to school districts for the purchase of one automated external defibrillator per school district for use in a school that offers grades 9 to 12. <u>Senate</u> and <u>Conference</u> do not include.	GF/GP	NA	\$0
8. CDC – State Matching Fund Increase	Gross	\$202,000,000	\$0
<u>Executive</u> replaces \$599,400 of federal funds with a corresponding amount of GF/GP for the CDC program’s matching funds to increase the state share as a result of the reduction of the Federal Medicare Assistance Percentage (FMAP) rate from 64.45% in FY 2018-19 to 64.06% in FY 2019-20. This rate reduction necessitates an increase in the state match portion to \$27.9 million GF/GP to draw down the estimated full federal match amount of \$48.1 million. This represents an estimate because the federal allocation for Michigan has not been appropriated at the federal level. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with <u>Executive</u> .	Federal	162,570,300	(599,400)
	GF/GP	\$39,429,700	\$599,400
9. Renaissance Zone Adjustment	Gross	\$2,500,000	(\$300,000)
<u>Executive</u> reduces funding for Renaissance Zone reimbursements to libraries by \$300,000 GF/GP. Estimated reimbursement payments required by statute have decreased due to recent personal property tax reform. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with <u>Executive</u> .	GF/GP	\$2,500,000	(\$300,000)
10. Office of Great Start Line Item Roll Up: CDC Contracted Services and TEACH Scholarship	Gross	\$12,350,000	\$0
<u>Executive</u> transfers \$16.5 million of federal funding from two line items, Child Development and Care Contracted Services (\$11.5 million) and TEACH 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 2018-19 budget to separate their functions and appropriation levels from the Office of Great Start Operations. <u>House</u> , <u>Senate</u> , and <u>Conference</u> do not include.	Federal	10,195,500	0
	Private	250,000	0
	Restricted	64,600	0
	GF/GP	\$1,839,900	\$0

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Major Budget Changes From FY 2018-19 YTD Appropriations			
11. Teacher Certification Fee Authorization Increase			
<u>Executive</u> increases teacher certification fee authorization by \$300,000 in the information technology services and projects line item to fund approximately two contractors at the Department of Technology, Management, and Budget (DTMB) for ongoing support and enhancements of MDE's Michigan Online Educator Certification System (MOECS), which allows teachers to access their certification data, apply for certificates and endorsements, and renew their certificates.	Gross	\$4,287,500	\$300,000
<u>House</u> includes but reduces by 25% to \$225,000 to align with IT reductions throughout the budget (see item 17 below).	Federal	2,496,500	0
<u>Senate</u> does not include.	Restricted	406,500	300,000
<u>Conference</u> concurs with Executive.	GF/GP	\$1,384,500	\$0
12. Michigan Schools for the Deaf and Blind: Low Incidence Outreach Program			
<u>Conference</u> increases by \$250,000, for a total of \$1.0 million restricted funds in the Michigan Schools for the Deaf and Blind unit's Low Incidence Outreach program. The increased appropriation allows for increased production and sale of specialized braille books, and additional fund revenue provides free books, services, supports, and training for students, teachers, parents, and other related personnel.	Gross	\$750,000	\$250,000
	Restricted	750,000	250,000
	GF/GP	\$0	\$0
13. MDE Reorganization			
<u>Executive</u> reallocates funding and FTE positions to continue implementing a departmental reorganization that began in 2016 to reduce the duplication of service and oversight of the K-12 system and to create coordination between offices by specific function. The changes net to zero for both funding and FTE positions. The major departmental changes are as follows:	FTE	NA	0.0
	Gross	NA	\$0
	Restricted	NA	0
	GF/GP	NA	\$0
<ul style="list-style-type: none"> • Transfers the Office of Audit Services and the Office of State Aid and School Finance Services into the Office of Financial Management, which brings MDE's budgeting and accounting, as well as school district state aid payments and audits, together in one office. • Combines the Office of Preparation Services and the Office of Educator Talent and Policy into a new Office of Educator Excellence, with a focus on supporting teachers through certification, professional development, and teacher evaluation. • Combines the Office of Educational Improvement and Innovation and the Office of Field Services into a new Office of Educational Supports, which focuses on school- and district-level supports. • Creates a new Office of Systems, Evaluation, and Technology to coordinate reporting systems and reduce reporting burdens on districts. • Creates a new Office of Strategic Planning for implementation of MDE's department-wide strategic initiatives, such as Top Ten in Ten Years, that focus on literacy, whole child, and prenatal through age 8. • Creates a new line item titled Grant and Contract Operations for managing grants and contracts handled by MDE. 			
<u>House</u> includes only the new line item for Grant and Contract Operations.			
<u>Senate</u> and <u>Conference</u> concur with Executive.			
14. Removal of One-Time Appropriations			
<u>Executive</u> removes \$5.0 million GF/GP for E-rate matching enhancements and \$100 Drinking Water Declaration of Emergency Reserve Fund for a CDC pilot program, which were considered one-time appropriations.	Gross	\$5,000,100	(\$5,000,100)
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Restricted	100	(100)
	GF/GP	\$5,000,000	(\$5,000,000)

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<u>Major Budget Changes From FY 2018-19 YTD Appropriations</u>			
15. Economic Adjustments	Gross	NA	\$1,609,700
<u>Executive</u> includes increased costs of \$1.6 million Gross (\$409,000 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	1,077,800
	Local	NA	40,600
	Private	NA	400
	Restricted	NA	81,900
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	GF/GP	NA	\$409,000
16. Administrative Efficiencies	Gross	NA	\$0
<u>House</u> reduces operation funding throughout the budget, reflecting a 3% reduction to be achieved through administrative efficiencies.	Federal	NA	0
<u>Senate</u> and <u>Conference</u> do not include.	Restricted	NA	0
	GF/GP	NA	\$0
17. Information Technology Reduction	Gross	\$4,287,500	\$0
<u>House</u> reduces funding available for information technology services and projects by 25%.	Federal	2,496,500	0
<u>Senate</u> and <u>Conference</u> do not include.	Restricted	406,500	0
	GF/GP	\$1,384,500	\$0

Major Boilerplate Changes From FY 2018-19

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

- Communication with the Legislature (Sec. 222)
- Grant Application Penalty (Sec. 225)
- Timely Data (Sec. 227)
- Nonpublic School Mandates (Sec. 230)
- Travel Expenditures (Sec. 302)
- Federal and Private Grants (Sec. 325)
- CDC Funding Changes (Sec. 1010)

Sec. 210. Contingency Funds – REVISED

Appropriates \$10.0 million federal, \$700,000 state restricted, \$250,000 local, and \$3.0 million private in contingency funds, which must be transferred appropriately by the legislature prior to expenditure.

Executive and House maintain current law. Senate deletes this section. Conference revises the amount of contingency funds as follows: revises federal from \$10.0 million to \$5.0 million; revises state restricted from \$700,000 to \$400,000; maintains local at \$250,000; and revises private from \$3.0 million to \$1.5 million.

Sec. 221. Personnel Records – DELETED

Directs that MDE require districts to retain teacher personnel records regarding sexual misconduct.

Executive and House delete this section. Senate maintains current law. Conference concurs with Executive and House.

Sec. 222. Communication with the Legislature – RETAINED (UNENFORCEABLE)

Prohibits MDE from taking disciplinary action against an employee for communicating truthfully and factually with a legislator or his/her staff. (*Signing letter states section is unenforceable.*)

Sec. 223. Records Retention – RETAINED

Requires MDE to retain all reports funded from appropriations according to federal and state guidelines for short-term and long-term retention of records.

Executive and House delete this section. Senate maintains current law. Conference concurs with Senate.

Sec. 225. Grant Application Penalty – REVISED

Requires that MDE comply with the grant application penalty in section 17c of the State School Aid Act, MCL 388.1617c. Reduces state funding for state board/superintendent operations, unclassified positions, school support services operations, and field services operations by 2.5% if MDE fails to comply.

Conference revises to remove school support services operations and field services operations from the 2.5% penalty because they are no longer line items in the FY 2019-20 MDE budget. Adds grant and contract operations to the list that could receive the 2.5% penalty.

Major Boilerplate Changes From FY 2018-19

Sec. 229. Contract Notification – RETAINED

Requires MDE to notify the House and Senate appropriations committees and the State Budget Director before entering into a contract that exceeds \$1.0 million, seeking a federal waiver form, or amending a federal waiver form.

Executive deletes this section. House revises to remove the requirement that MDE provide notification to the House and Senate appropriations committees and the State Budget Director before entering into a contract that exceeds \$1.0 million. Senate maintains current law. Conference concurs with Senate.

Sec. 231. Child Protection Law Reporting – REVISED

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 removes the requirement that MDE submit information to districts from the final task force recommendations for reducing child sexual abuse in this state as required by section 12b of the Child Protection Law. House deletes this section. Senate concurs with the Executive to remove the requirement that MDE submit information concerning the task force recommendations, and to require only a district, ISD, or PSA that had not adopted a policy under the Child Protection Law or has adopted a new policy under the Child Protection Law since last year to report to MDE. Conference concurs with Senate.

Sec. 234. Administrative Rules – DELETED

Prohibits MDE from developing, staffing, or promoting activities for the promulgation of new, revised, or rescinded administrative rules until a permanent State Superintendent of Public Instruction is appointed by the State Board of Education, unless a rules change request was submitted before the effective date of the act.

Executive, House, and Senate delete this section. Conference concurs.

Sec. 235. Association Report – NEW

Conference requires MDE to compile a report by December 1, 2019, that includes an itemized list of allocations paid by the department to any association or consortium consisting of associations in the immediately preceding fiscal year. The report must include the recipient or recipients, the amount allocated, and the purpose for which the money was distributed.

Sec. 236. Department Administrative Reserve Fund 1 – NEW (UNENFORCEABLE)

Conference creates a department administrative reserve fund 1 in MDE and states that funds cannot be expended unless a legislative transfer request is issued by the State Budget Office and the requirements are met under section 393 of the Management and Budget Act, MCL 18.1393. It is the intent of the legislature that MDE satisfy the following requirements: demonstrates that the grants in the State School Aid Act, MCL 388.1601 to 388.1897I, and the federal grants that have been received by MDE are distributed; demonstrates that a distribution schedule exists for those grants in the State School Aid Act of 1979, 1979 PA 94, MCL 388.1601 to 388.1897I1, and those federal grants that have not yet been received and are anticipated before the end of the fiscal year; and provides a report to the House and Senate appropriations committees, House and Senate fiscal agencies, and State Budget Office to illustrate how the requested funds would be used. (*Signing letter states section is unenforceable.*)

Sec. 237. Department Administrative Reserve Fund 2 – NEW (UNENFORCEABLE)

Conference creates a department administrative reserve fund 2 in MDE and states that funds cannot be expended unless a legislative transfer request is issued by the State Budget Office and the requirements are met under section 393 of the Management and Budget Act, MCL 18.1393. It is the intent of the legislature that MDE satisfy the following requirements: demonstrates that the grants in the State School Aid Act, MCL 388.1601 to 388.1897I, and the federal grants that have been received by MDE are distributed; demonstrates that a distribution schedule exists for those grants in the State School Aid Act of 1979, 1979 PA 94, MCL 388.1601 to 388.1897I1, and those federal grants that have not yet been received and are anticipated before the end of the fiscal year; provides a report to the House and Senate appropriations committees, House and Senate fiscal agencies, and State Budget Office to illustrate how the requested funds would be used; and, by March 31, 2020, publishes the information as required by section 1280g of the Revised School Code, 1976 PA 451, MCL 380.1280g. (*Signing letter states section is unenforceable.*)

Sec. 238. Department Administrative Reserve Fund 3 – NEW (UNENFORCEABLE)

Conference creates a department administrative reserve fund 3 in MDE and states that funds cannot be expended unless a legislative transfer request is issued by the State Budget Office and the requirements are met under section 393 of the Management and Budget Act, MCL 18.1393. It is the intent of the legislature that MDE satisfy the following requirements: demonstrates that the grants in the State School Aid Act, MCL 388.1601 to 388.1897I, and the federal grants that have been received by MDE are distributed; demonstrates that a distribution schedule exists for those grants in the State School Aid Act of 1979, 1979 PA 94, MCL 388.1601 to 388.1897I1, and those federal grants that have not yet been received and are anticipated before the end of the fiscal year; and provides a report to the House and Senate appropriations committees, House and Senate fiscal agencies, and State Budget Office to illustrate how the requested funds would be used. (*Signing letter states section is unenforceable.*)

Major Boilerplate Changes From FY 2018-19

Sec. 239. Labor Day Start Study Report – NEW (VETOED)

Conference requires MDE to produce a report by March 1, 2020 of the impact on student outcomes of starting school before Labor Day. The report must indicate if starting school before Labor Day has a positive impact on student outcomes when compared to not starting before Labor Day.

Sec. 408. Carryforward of Programmatic Service Funds – RETAINED

Allows the Michigan Schools for the Deaf and Blind to carry forward funds available for expenditure into the next succeeding year for the low incidence program; conferences, workshops, and training classes; and the use of specialized equipment, facilities, and software for required services.

Executive revises to allow the Michigan Schools for the Deaf and Blind and the low incidence outreach program to receive and expend funds in addition to the \$750,000 appropriated in the low incidence outreach program in Sec. 106. House concurs with Executive. Senate maintains current law. Conference maintains current law, but see Major Budget Changes item number 12, above, for additional information on increasing the Michigan Schools for the Deaf and Blind's low incident outreach program from \$750,000 to \$1.0 million

Sec. 409. Due Process Hearings – RETAINED

Requires that when conducting a due process hearing related to an individualized education program (IEP) educational placement, a state administrative judge shall consider the Michigan Schools for the Deaf and Blind the least restrictive environment under federal law for the parent's child who is deaf, deafblind, or hard of hearing.

Executive and House delete this section. Senate maintains current law. Conference concurs with Senate.

Sec. 502. Student Teaching Credits – REVISED

Authorizes teacher preparation institutions to provide alternative programs in which one-half of all student teaching credits can be earned through substitute teaching.

Executive deletes this section. House maintains current law. Senate concurs with Executive. Conference revises from 1/2 to 1/4 the number of student teaching credits that can be earned through substitute teaching and requires the substitute teaching to occur in a single classroom setting for at least 15 consecutive school days to count toward this requirement.

Sec. 602. Adolescent and Social Health HIV/STI Prevention – RETAINED

Requires MDE to direct funds toward a HIV/STI prevention grant that was funded under section 39a(2)(a) of the State School Aid Act.

Executive and House delete this section. Senate maintains current law. Conference concurs with Senate.

Sec. 702. Accountability System Requirement – NOT INCLUDED

Senate includes a new section that requires MDE or the Superintendent of Public Instruction to request the waivers and state plan amendments to the state's federal accountability plan necessary for 2018 PA 601 (A-F accountability system) to comply with the Every Student Succeeds Act, Public Law 114-95, before expending funds from the state board/superintendent operations line item. Conference does not include.

Sec. 803. Keep Library Functions Together – DELETED

Provides intent that the state maintain the Library of Michigan and its component programs, except for the genealogy collections, together in a state department.

Executive and House delete this section. Senate maintains current law. Conference concurs with Executive and House.

Sec. 1002. CDC Provider Reimbursement Rate – REVISED

Requires MDE to set the provider reimbursement rates for licensed and license-exempt providers at the FY 2017-18 appropriated levels. Requires MDE to publish the reimbursement rates on its webpage and the Great Start to Quality webpage.

Executive revises to include increases to the hourly provider reimbursement rate and to transfer the CDC biweekly block reimbursement rate schedule of payments from Sec. 1011 to this section. The proposed provider reimbursement rate increases for licensed providers are as follows: \$0.20 increases for providers with no star rating to a 2-star rating; \$0.30 increases for providers with a 3- to 5-star rating; and \$0.20 increases for children between the ages of 0-5, regardless of star rating. License-exempt providers would receive \$0.20 increases for all level 1 and level 2 providers, regardless of the age of the child. Deletes the spending report for the biweekly block reimbursement rate schedule. House maintains current law. Senate concurs with Executive. Conference revises the provider reimbursement rate increase for licensed providers serving children in the CDC program as follows: \$0.30 for providers serving children aged 0-5 and \$0.20 for providers serving children aged 5 and older. License-exempt providers with a level 1 status would receive a \$0.15 increase, and those with a level 2 status would receive a \$0.05 increase.

Major Boilerplate Changes From FY 2018-19

Sec. 1003. Early Childhood Investment Corporation Annual Report – RETAINED

Requires MDE to submit an annual report on all funding appropriated to the Early Childhood Investment Corporation (ECIC) by February 15. The report must detail the amounts of grants awarded, grant recipients, activities funded by each grant, and an analysis of the work of each grantee. Also requires contracts for early childhood comprehensive systems planning to be bid through a statewide RFP process.

Executive and House delete this section. Senate maintains current law. Conference concurs with Senate.

Sec. 1005. CDC Childcare Monitoring – DELETED

Requires MDE to coordinate with LARA to provide fingerprint services and background checks of employees of childcare providers as required by the federal Child Care and Development Block Grant.

Executive and House delete this section. Senate maintains current law. Conference concurs with Executive and House.

Sec. 1009. CDC Eligibility Entrance Threshold Increase – RETAINED

Requires MDE to set the entrance income threshold for the CDC program at 130% of the federal poverty guidelines.

Executive revises to increase the entrance income threshold for the CDC program from 130% of the federal poverty guidelines to 140%. House revises to increase the eligibility entrance threshold from 130% of the federal poverty guidelines to “up to 135%.” (See Major Budget Changes item number 4 for additional information.) Senate maintains current law. Conference concurs with Senate.

Sec. 1011. CDC Biweekly Block Reimbursement Rate Schedule – REVISED

Requires MDE to implement a biweekly block reimbursement rate schedule for licensed providers (license-exempt providers will continue to be at their hourly rate) at the following block segments: 1-30 hours reimbursed at their hourly reimbursement rate; 31-60 reimbursed at 60 hours; 61-80 reimbursed at 80 hours; and 81-90 reimbursed at 90 hours. Requires MDE, before funds may be expended, to provide a detailed spending report that specifies how MDE will implement the block reimbursement, include the specific rates broken out by provider type and differentiation by age groups, and to include the overall projected costs for FY 2018-19 and FY 2019-20.

Executive retains and shifts the biweekly block reimbursement rate schedule to Sec. 1002, as noted above, but deletes the spending report for the biweekly block reimbursement rate schedule. House maintains the biweekly block reimbursement rate schedule but deletes the spending report for the biweekly block reimbursement rate schedule. Senate concurs with Executive. Conference concurs with House.

Sec. 1101. Drinking Water Declaration of Emergency – CDC Pilot – DELETED

Requires that, from the funds for the Drinking Water Declaration of Emergency, MDE must do the following activities until it has spent all of the money appropriated for a drinking water declaration of emergency: pilot the expansion of CDC eligibility to children aged 0 to 3 for half-day childcare services for household incomes up to 300% of the federal poverty guidelines; provide information to childcare providers on identification and intervention services for children demonstrating potential developmental delays associated with exposure to lead; and provide a report on various metrics associated with the pilot’s outcomes.

Executive, House, and Senate delete this section. Conference concurs.

Sec. 1101. Automated External Defibrillators – NOT INCLUDED

House provides requirements for a school district to be eligible to receive a grant for an automated external defibrillator (AED); requires a school district to submit an application for a grant to MDE; and requires the board of the school district to adopt and implement a cardiac emergency response plan under section 19 of the Fire Prevention Code, MCL 29.19, and to adopt a resolution that the school district accomplish both of the following: (1) train at least five staff members in cardiopulmonary resuscitation and the use of an AED; (2) pay for the ongoing maintenance and repair of each AED purchased under this section. Senate does not include this section. Conference does not include.

Sec. 1102. Automated External Defibrillators – Work Project – NOT INCLUDED

House includes a work project designation for funds appropriated for automated external defibrillators. Senate does not include this section. Conference does not include.