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Senate Bill 29 (Substitute S-5)
Sponsor: Senator Jim Stamas
Senate Committee: Appropriations
House Committee: Appropriations

Date Completed: 3-17-21

CONTENT

The bill would amend the State School Aid Act to provide supplemental book-closing funding for fiscal year (FY) 2019-20 and to reappropriate two vetoed supplemental items for FY 2020-21.

The FY 2019-20 book-closing supplemental would appropriate an additional \$656,000 for Section 31d (school lunch) and an additional \$7.4 million for Section 31f (school breakfast), for a total increase in School Aid Fund (SAF) spending of \$8,056,000. These payments are made on a reimbursement basis, using actual costs. Because of delayed cost reporting as a result of the pandemic, these costs were not known until after the end of FY 2019-20. This increase is driven predominately by higher-than-expected breakfast costs. Because of the pandemic, breakfasts were delivered using a different method compared to previous years. In the new model, all meals were served to students in a packaged or boxed form through a pickup or drive-through model, with breakfasts and lunches packed together. This resulted in an increased number of breakfasts served statewide and carried with it increased costs for staffing, packaging, and distribution. Higher costs also are expected for FY 2020-21 for the same reasons.

The bill also would reappropriate two Federally funded items that were contained within House Bill 4048 but vetoed by the Governor. Those items include \$86.8 million for nonpublic schools (Section 11o) and \$10.0 million for a program to reimburse parents for expenses associated with summer school (Section 23d). Both programs would be supported by Federal Governor's Education Emergency Relief (GEER) funding.

The bill also would make adjustments to Section 11 (overall appropriations) and to Section 11n (which notes the totals for GEER and Elementary and Secondary Schools Relief (ESSER) funds).

MCL 388.1611 et al.

FISCAL IMPACT

The bill would increase State SAF spending in FY 2019-20 by \$8,056,000 to enable book closing to occur by making full payments for school lunch and breakfast costs. The bill would increase Federal GEER spending in FY 2020-21 by a total of \$96.8 million (\$86.8 million for nonpublic schools and \$10.0 million for parental reimbursement of summer school expenses).

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.