

**SENATE SUBSTITUTE FOR HOUSE SUBSTITUTE FOR
SENATE BILL NO. 29**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 11, 11n, 31d, and 31f (MCL 388.1611,
388.1611n, 388.1631d, and 388.1631f), section 11 as amended and
section 11n as added by 2021 PA 3 and sections 31d and 31f as
amended by 2020 PA 165, and by adding sections 11o and 23d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) For the fiscal year ending September 30, 2020,
2 there is appropriated for the public schools of this state and
3 certain other state purposes relating to education the sum of
4 \$12,837,526,800.00 from the state school aid fund, the sum of
5 \$104,660,000.00 from the general fund, an amount not to exceed
6 \$75,900,000.00 from the community district education trust fund
7 created under section 12 of the Michigan trust fund act, 2000 PA
8 489, MCL 12.262, an amount not to exceed \$9,717,800.00 from the

talent investment fund created under section 8a of the higher education loan authority act, 1975 PA 222, MCL 390.1158a, an amount not to exceed \$31,900,000.00 from the MPSERS retirement obligation reform reserve fund, and an amount not to exceed \$100.00 from the water emergency reserve fund. For the fiscal year ending September 30, 2021, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$13,759,819,500.00 from the state school aid fund, the sum of \$50,964,600.00 from the general fund, an amount not to exceed \$77,700,000.00 from the community district education trust fund created under section 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262, and an amount not to exceed \$100.00 from the water emergency reserve fund. In addition, all available federal funds are **only** appropriated **as allocated in this article** for the fiscal ~~year~~**years** ending **September 30, 2020 and** September 30, 2021.

(2) The appropriations under this section are allocated as provided in this article. Money appropriated under this section from the general fund must be expended to fund the purposes of this article before the expenditure of money appropriated under this section from the state school aid fund.

(3) Any general fund allocations under this article that are not expended by the end of the fiscal year are transferred to the school aid stabilization fund created under section 11a.

Sec. 11n. From the federal fund money appropriated under section 11, there is allocated for 2020-2021 an amount not to exceed \$125,658,900.00 from the federal funding awarded to this state from the governor's emergency education relief (GEER) fund under the coronavirus response and relief supplemental appropriations act, 2021, division M of Public Law 116-260, and there is allocated for 2020-2021 an amount not to exceed ~~\$1,650,759,800.00~~ **\$810,082,300.00** from the federal funding awarded

1 to this state from the elementary and secondary school emergency
2 relief (ESSER) fund under the coronavirus response and relief
3 supplemental appropriations act, 2021, division M of Public Law
4 116-260.

5 **Sec. 11o. From the federal fund money allocated under section**
6 **11n, there is allocated for 2020-2021 an amount not to exceed**
7 **\$86,777,000.00 from the federal funding awarded to this state from**
8 **the governor's emergency education relief (GEER) fund under the**
9 **coronavirus response and relief supplemental appropriations act,**
10 **2021, division M of Public Law 116-260, for emergency assistance to**
11 **nonpublic schools as provided under section 312(d) of the**
12 **coronavirus response and relief supplemental appropriations act,**
13 **2021, division M of Public Law 116-260.**

14 **Sec. 23d. (1) From the federal funding allocated under section**
15 **11n awarded to this state from the governor's emergency education**
16 **relief (GEER) fund under the coronavirus response and relief**
17 **supplemental appropriations act, 2021, division M of Public Law**
18 **116-260, there is allocated for 2020-2021 an amount not to exceed**
19 **\$10,000,000.00 for the purposes of this section. The department**
20 **shall establish a grant program to distribute this funding to**
21 **eligible parents and eligible legal guardians described in**
22 **subsection (3).**

23 **(2) Except as otherwise provided in this subsection, to**
24 **receive funding under this section, an eligible parent or eligible**
25 **legal guardian must apply for the funding in a form and manner**
26 **prescribed by the department. An application for funding under this**
27 **section must be submitted to the department by not later than**
28 **September 1, 2021.**

29 **(3) A parent or legal guardian to whom all of the following**
30 **apply is an eligible parent or eligible legal guardian under this**
31 **section:**

1 (a) The child of the parent or legal guardian is enrolled in
2 summer programming in 2021.

3 (b) The child described in subdivision (a) is at least age 5
4 but not older than age 18.

5 (c) In his or her application for funding under this section,
6 the parent or legal guardian provides proof that the child
7 described in subdivision (a) is enrolled in summer programming. As
8 used in this subdivision, "proof" means sufficient documentation as
9 determined by the department.

10 (d) If the parent or legal guardian is seeking reimbursement
11 for expenses incurred in relation to providing summer programming
12 for his or her child as described in subdivision (a), in his or her
13 application for funding under this section, the parent or legal
14 guardian describes those expenses.

15 (4) From the funding allocated under subsection (1), the
16 department shall provide payments to each eligible parent or
17 eligible legal guardian as follows:

18 (a) An amount equal to \$50.00 for each child enrolled in
19 summer programming as described in subsection (3)(a).

20 (b) An amount equal to the cost of the expenses submitted in
21 the application for funding under this section as described in
22 subsection (3)(d), but not exceeding \$200.00, for each child for
23 whom the eligible parent or eligible legal guardian has incurred
24 expenses.

25 (5) The department shall make all payments to an eligible
26 parent or eligible legal guardian under this section by not later
27 than 29 days after an application for funding under this section is
28 received.

29 (6) If funds allocated under this section are insufficient to
30 fully fund calculations under this section, the department shall
31 apply proration in equal proportion to the amount the eligible

1 parent or eligible legal guardian would have received under this
2 section but for the application of proration under this subsection.

3 (7) As used in this section, "summer programming" means an
4 educational enrichment program, including, but not limited to, a
5 summer program or credit recovery program offered as part of COVID-
6 19 remediation services under section 23b, a program that
7 incorporates extracurricular activities, or any other educational
8 program that is provided in person, online, digitally, by other
9 remote means, in a synchronous or asynchronous format, or through
10 any combination of these.

11 Sec. 31d. (1) From the appropriations in section 11, there is
12 allocated an amount not to exceed **\$23,800,000.00 for 2019-2020 and**
13 **an amount not to exceed** \$23,144,000.00 for 2020-2021 for the
14 purpose of making payments to districts and other eligible entities
15 under this section.

16 (2) The amounts allocated from state sources under this
17 section are used to pay the amount necessary to reimburse districts
18 for 6.0127% of the necessary costs of the state mandated portion of
19 lunch programs provided by those districts. The department shall
20 calculate the amount due to each district under this section using
21 the methods of calculation adopted by the Michigan supreme court in
22 the consolidated cases known as *Durant v State of Michigan*, 456
23 Mich 175 (1997).

24 (3) The payments made under this section include all state
25 payments made to districts so that each district receives at least
26 6.0127% of the necessary costs of operating the state mandated
27 portion of the lunch program in a fiscal year.

28 (4) The payments made under this section to districts and
29 other eligible entities that are not required under section 1272a
30 of the revised school code, MCL 380.1272a, to provide a lunch
31 program must, except for in 2020-2021, be in an amount not to

1 exceed \$10.00 per eligible pupil plus 5 cents for each free lunch
 2 and 2 cents for each reduced price lunch provided, as determined by
 3 the department. For 2020-2021 only, the amount described in this
 4 subsection is not to exceed \$10.00 per eligible pupil plus 5 cents
 5 for each lunch provided, as determined by the department.

6 (5) **From the federal funds appropriated in section 11, there**
 7 **is allocated for 2019-2020 all available federal funding, estimated**
 8 **at \$533,000,000.00 for the national school lunch program and all**
 9 **available federal funding, estimated at \$4,200,000.00 for the**
 10 **emergency food assistance program.** From the federal funds
 11 appropriated in section 11, there is allocated for 2020-2021 all
 12 available federal funding, estimated at \$545,000,000.00 for child
 13 nutrition programs and all available federal funding, estimated at
 14 \$5,000,000.00 for food distribution programs.

15 (6) Notwithstanding section 17b, the department shall make
 16 payments to eligible entities other than districts under this
 17 section on a schedule determined by the department.

18 (7) In purchasing food for a lunch program funded under this
 19 section, a district or other eligible entity shall give preference
 20 to food that is grown or produced by Michigan businesses if it is
 21 competitively priced and of comparable quality.

22 Sec. 31f. (1) From the appropriations in section 11, there is
 23 allocated an amount not to exceed **\$11,900,000.00 for 2019-2020 and**
 24 **an amount not to exceed** \$4,500,000.00 for 2020-2021 for the purpose
 25 of making payments to districts to reimburse for the cost of
 26 providing breakfast.

27 (2) The funds allocated under this section for school
 28 breakfast programs are made available to all eligible applicant
 29 districts that meet all of the following criteria:

30 (a) The district participates in the federal school breakfast
 31 program and meets all standards as prescribed by 7 CFR parts 210,

1 220, 225, 226, and 245.

2 (b) Each breakfast eligible for payment meets the federal
3 standards described in subdivision (a).

4 (3) The payment for a district under this section is at a per
5 meal rate equal to the lesser of the district's actual cost or 100%
6 of the statewide average cost of a meal served, as determined and
7 approved by the department, less federal reimbursement, participant
8 payments, and other state reimbursement. The department shall
9 determine the statewide average cost using costs as reported in a
10 manner approved by the department for the preceding school year.

11 (4) Notwithstanding section 17b, the department may make
12 payments under this section pursuant to an agreement with the
13 department.

14 (5) In purchasing food for a school breakfast program funded
15 under this section, a district shall give preference to food that
16 is grown or produced by Michigan businesses if it is competitively
17 priced and of comparable quality.

18 Enacting section 1. In accordance with section 30 of article
19 IX of the state constitution of 1963, total state spending on
20 school aid under article I of the state school aid act of 1979,
21 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2019 PA 58,
22 2019 PA 162, 2020 PA 146, 2020 PA 147, 2020 PA 148, 2020 PA 149,
23 2020 PA 165, and this amendatory act, from state sources for fiscal
24 year 2019-2020 is estimated at \$13,059,704,700.00 and state
25 appropriations for school aid to be paid to local units of
26 government for fiscal year 2019-2020 are estimated at
27 \$12,853,634,900.00. In accordance with section 30 of article IX of
28 the state constitution of 1963, total state spending on school aid
29 under article I of the state school aid act of 1979, 1979 PA 94,
30 MCL 388.1601 to 388.1772, as amended by 2020 PA 165, 2021 PA 3, and
31 this amendatory act, from state sources for fiscal year 2020-2021

1 is estimated at \$13,888,484,200.00 and state appropriations for
2 school aid to be paid to local units of government for fiscal year
3 2020-2021 are estimated at \$13,716,487,100.00.