



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 29 (Substitute S-3 as passed by the Senate)

Sponsor: Senator Jim Stamas

Committee: Appropriations

Date Completed: 2-26-21

CONTENT

The bill would amend the State School Aid Act to provide supplemental appropriations for fiscal year (FY) 2020-21. Specifically, the bill would add \$807.3 million in Federal Elementary and Secondary School Emergency Relief (ESSER) funds, \$125.2 million in Federal Governor's Emergency Education Relief (GEER) funds, and \$313.5 million in State School Aid Fund (SAF) money, for a gross supplementation appropriation of \$1,246.1 million.

The bill would distribute \$650.0 million of ESSER formula funds to districts (including public school academies) based on each district's share of Title I, Part A allocations as required under Federal law. The State of Michigan will receive a total of roughly \$1.66 billion in ESSER funds, of which a minimum of 90% (just under \$1.5 billion) is required to be distributed as formula grants; the bill would appropriate \$650.0 million of that minimum.

Roughly 10% of the ESSER funds (\$157.3 million) in Federal funds appropriated in the bill reflect the 'discretionary' portion of Federal ESSER money the State of Michigan could use if not allocated as formula grants. The bill would appropriate this \$157.3 million Federal ESSER funding along with \$10.2 million in GEER funds and \$115.5 million in SAF for distribution to districts where the district's per-pupil allocation from the \$650.0 million distribution is less than \$450. In those cases, the Federal and State funding would be used to ensure that the district received \$450 per pupil when combining ESSER formula funds with ESSER 'discretionary', GEER, and SAF money.

The bill would appropriate the full \$86.8 million in GEER funds earmarked for nonpublic schools, which would be distributed as required under Federal law. Other GEER funds appropriated under the bill include \$22.4 million for before- and after-school programs and \$5.9 million for parental expenses related to summer school programs.

In addition to the \$115.5 million SAF allocated for per-pupil equalization grants, the bill would appropriate another \$198.0 million SAF for the following programs: \$90.0 million for K-8 summer school programs; \$45.0 million for high school credit recovery programs; \$10.0 million for innovative summer school and credit recovery remediation services; \$21.3 million for payments to staff operating summer school programs; \$20.0 million for school mental health services; and, \$11.7 million for benchmark assessments. This would bring the total SAF appropriated in the bill to \$313.5 million.

The table below itemizes the programs and their fund sources as found in the bill.

School Aid Supplemental Items and Fund Sources, Fiscal Year 2020-21				
Program	Federal ESSER	Federal GEER	School Aid Fund	Gross
Nonpublic schools	\$0	\$86,777,000	\$0	\$86,777,000
Formula grants	650,000,000	0	0	650,000,000
Equalization \$450pp	157,349,300	10,195,100	115,455,600	283,000,000
Summer programs	0	0	90,000,000	90,000,000
Credit recovery	0	0	45,000,000	45,000,000
Before/after school	0	22,400,000	0	22,400,000
Innov. remediation	0	---	10,000,000	10,000,000
Staff incentives	0	---	21,309,900	21,309,900
Parental expenses	0	5,853,000	0	5,853,000
Mental health	0	---	20,000,000	20,000,000
Benchmark tests	---	---	11,719,200	11,719,200
TOTALS	\$807,349,300	\$125,225,100	\$313,484,700	\$1,246,059,100

FISCAL IMPACT

The bill would appropriate \$807,349,300 from Federal ESSER money, \$125,225,100 from Federal GEER money, and \$313,484,700 SAF money for various FY 2020-21 supplemental funding. Payments to local units of government (school districts and intermediate school districts) would increase by \$313,484,700.

Fiscal Analyst: Kathryn Summers

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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.