



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

GRETCHEN WHITMER
GOVERNOR

MICHAEL F. RICE, Ph.D.
STATE SUPERINTENDENT

MEMORANDUM

DATE: March 12, 2021

TO: Local and Intermediate School District Superintendents
Public School Academy Directors

FROM: Kyle L. Guerrant, Deputy Superintendent ^{KG}
Finance and Operations

SUBJECT: Supplemental Appropriations for Fiscal Year 2020-2021 –
MEMO #COVID-19-164

On March 9, 2021, Governor Gretchen Whitmer signed into law Public Act 3 of 2021 to provide supplemental appropriations for fiscal year (FY) 2020-2021. Public Act 3 of 2021 appropriates federal funds approved in the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act from this past December as well as from the state school aid fund (SAF), for a total appropriation of \$1,009,162,100.

Highlights from the passage of Public Act 3 of 2021 include:

Federal Elementary and Secondary School Emergency Education Relief (ESSER II) Formula: The CRRSA Act requires states to allocate at least 90 percent of the state ESSER II allocation to school districts based on the Title I, Part A allocation formula outlined in the act. A total of \$650 million is appropriated to be distributed to districts. This amount is approximately 43 percent of the total ESSER II formula allocation Michigan received. A total of \$840.7 million in ESSER II formula funds was tie-barred to the enactment of House Bill 4049, a bill that would have devolved authority for health decisions in the pandemic from the state health department director to local public health officials, a bill which Governor Whitmer vetoed. The remaining ESSER II formula funds will need to be the subject of negotiations between the executive and legislative branches, appropriated by the legislature, and signed by the governor before they can be distributed to local school districts.

Federal Elementary and Secondary School Emergency Education Relief (ESSER II) Discretionary: The CRRSA Act authorizes states to reserve up to 10 percent of the state ESSER II allocation for discretionary purposes. A total of \$160.1 million is appropriated from the ESSER II discretionary fund for K-8 in-person summer programs, high school credit recovery programs, in-person before and/or after-school programs operated by local or intermediate school districts, and benchmark assessments.

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School Aid Fund (SAF): A total of \$136.0 million is appropriated for distribution to districts through an equalization formula to ensure every district receives at least a \$450 per-pupil increase when combined with a district's ESSER II formula allocation. Eligible districts are required to offer at least 20 hours per week of in-person instruction to all pupils by March 22, 2021 to receive the equalization payment.

According to this new state law, all districts receiving ESSER II formula funds or an equalization payment are required to submit a spending plan to the Michigan Department of Education (MDE). This spending plan must detail how districts plan to use the funds and is due to MDE by April 23, 2021. Details regarding the spending plan will be available under separate cover next week.

In addition to the \$136.0 million referenced above, \$34.2 million is appropriated for school mental health services, innovative summer school and credit recovery programs, and benchmark assessments.

Federal Governor's Emergency Education Relief (GEER II) Fund: A total of \$28.9 million is appropriated for staff incentives for teachers and other school staff who provide services in summer programs, before and/or after-school programs for K-8 students operated by community-based organizations, and benchmark assessments. Governor Whitmer vetoed \$10.0 million for parent reimbursements for summer school expenses and \$86.8 million to provide services and assistance to non-public schools. These GEER II funds will need to be appropriated in some fashion in a future supplemental budget this year.

Additional summary information, including a breakdown of funding by line item and source, may be accessed on the Senate Fiscal Agency website at: [2021-SFA-4048-N.pdf \(mi.gov\)](#).

This information is subject to updates. The governor's office and MDE are intent on working with the legislature to realize appropriation of the remainder of the federal funding as quickly as possible to provide more solid direction for school district planning.

cc: Michigan Education Alliance
Confederation of Michigan Tribal Education Directors