



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING

RICK SNYDER  
GOVERNOR

BRIAN J. WHISTON  
STATE SUPERINTENDENT

**MEMORANDUM**

**DATE:** February 26, 2016

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

**FROM:** Kyle L. Guerrant, Deputy Superintendent *KG*

**SUBJECT:** State School Aid Act – Sections 31a(6), 31d, and 31f  
Implications for the School Meals Program, Non-profit School Food  
Service Account

**Section 31a(6) At Risk**

Section 31a(6) of the State School Aid Act, MCL 388.1631a(5), pertains to funds appropriated to eligible school districts and eligible public school academies that operate a school breakfast program under Section 1272a of the Revised School Code. An amount, not to exceed \$10.00 per eligible pupil, must be used to pay for costs necessary to operate the school breakfast program. The amount of the funds earmarked for school food service from Section 31a(6) is determined by multiplying \$10.00 by the adjusted free eligible count reported by the Office of State Aid. This amount must be properly allocated to the School Meals Program, non-profit food service account.

Funds received under Section 31a(6) should be regarded as State Restricted Revenue in the School Meals Program, non-profit food service account (Fund 25, Major Class 312 Restricted-State Revenues, and Suffix 0020).

**Section 31d Reimbursement to District Providing School Lunch Programs**

Section 31d of the State School Aid Act, MCL 388.1631d, pertains to funds appropriated to school districts and other eligible entities under this section. K-12 public school districts are reimbursed for 6.0127% of the necessary costs of operating the state mandated school lunch program. The current year payments are estimates and paid in eleven (11) equal installments. These funds must be properly allocated to the School Meals Program, non-profit food service fund account. After determining the actual total amount of the payment in the spring of the following

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year, a positive or negative adjustment is made to Section 31d and listed on the State Aid Financial Status Report under Prior Year Adjustments.

Intermediate school districts, public school academies, and non- K-12 districts are not mandated under Section 1271a of the Revised School Code, MCL 380.1272a, to operate a school lunch program. Payments made under Section 31d are limited to an amount not to exceed \$10.00 per eligible pupil plus up to 5 cents for every free lunch and up to 2 cents for every reduced price lunch, if costs exceed verified revenues, up to the statewide average. These funds are paid annually and are on the State Aid Financial Status Report under Prior Year Adjustments. These funds must be properly allocated to the School Meals Program, non-profit food service account.

### **Section 31f Breakfast Program Costs; Reimbursement Payments**

Section 31f of the State School Aid Act, MCL 388.1631f, pertains to funds appropriated to eligible school districts, intermediate school districts, and public school academies as supplemental reimbursement for the cost of providing breakfast. Payment under this section is at a per meal rate equal to the lesser of the district's actual cost or 100% of an efficiently run breakfast program, as determined and approved by the department, less federal reimbursement, participant payments, and other state reimbursement (see 31a(6) above). These funds are paid annually and must be properly allocated to the School Meals Program, non-profit food service account.

Funds from Sections 31a(6), 31d, and 31f must be used for the general operation and improvement of the school lunch and school breakfast programs. According to federal United States Department of Agriculture regulation 7 CFR 210.14 (a), revenues received by the School Meals Program, non-profit food service account are to be used only for the operation or improvement of such food service.

Funds received under Sections 31d and 31f should be recorded as State Restricted Revenue in the School Meals Program, non-profit food service account (Fund 25, Major Class 312 – Restricted State, and Suffix 0110 – School Food).

If you have questions regarding these funds, please contact Wendy Crowley at [crowleyw@michigan.gov](mailto:crowleyw@michigan.gov) or 517-373-0406.

cc: Michigan Education Alliance