

HOUSE BILL No. 5927

June 27, 1990, Introduced by Rep. Hart and referred to the Committee on Education.

A bill to amend Act No. 94 of the Public Acts of 1979, entitled as amended

"The state school aid act of 1979,"

as amended, being sections 388.1601 to 388.1772 of the Michigan Compiled Laws, by adding sections 11b and 11c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 94 of the Public Acts of 1979, as
2 amended, being sections 388.1601 to 388.1772 of the Michigan
3 Compiled Laws, is amended by adding sections 11b and 11c to read
4 as follows:

5 SEC. 11B. (1) BEGINNING WITH THE STATE FISCAL YEAR BEGIN-
6 NING OCTOBER 1, 1991, FOR EACH STATE FISCAL YEAR IN WHICH THE
7 APPROPRIATION UNDER SECTION 11 OF TOTAL STATE AID TO LOCAL AND
8 INTERMEDIATE SCHOOL DISTRICTS DOES NOT EQUAL AT LEAST 50% OF
9 LOCAL AND INTERMEDIATE SCHOOL DISTRICT EXPENDITURES DURING THE

1 IMMEDIATELY PRECEDING STATE FISCAL YEAR AND IN WHICH THERE IS NOT
2 AN INCREASE IN THE APPROPRIATION OF TOTAL STATE AID TO LOCAL AND
3 INTERMEDIATE SCHOOL DISTRICTS FROM THAT APPROPRIATION FOR THE
4 IMMEDIATELY PRECEDING STATE FISCAL YEAR OF AT LEAST
5 \$225,000,000.00 OR AN AMOUNT EQUAL TO 50% OF THE DOLLAR AMOUNT BY
6 WHICH SCHOOL AID FUND AND GENERAL FUND/GENERAL PURPOSE REVENUE
7 INCREASED FROM THE IMMEDIATELY PRECEDING STATE FISCAL YEAR,
8 WHICHEVER IS LESS, THE AMOUNT APPROPRIATED UNDER SECTION 11 SHALL
9 BE ADJUSTED SO THAT THERE IS AT LEAST THAT AMOUNT OF AN
10 INCREASE. IF IT IS DETERMINED THAT ADJUSTMENTS IN THE APPROPRIA-
11 TION ARE NECESSARY UNDER THIS SECTION DURING A STATE FISCAL YEAR,
12 THE GOVERNOR SHALL TRANSMIT A RECOMMENDATION TO THE LEGISLATURE
13 REGARDING THE ADJUSTMENT AT THE SAME TIME THE GOVERNOR TRANSMITS
14 THE EXECUTIVE BUDGET RECOMMENDATION FOR THE SUCCEEDING STATE
15 FISCAL YEAR. HOWEVER, FOR EACH STATE FISCAL YEAR BEGINNING AFTER
16 SEPTEMBER 30, 1992, THE \$225,000,000.00 AMOUNT SHALL BE ADJUSTED
17 EACH YEAR BY MULTIPLYING THE AMOUNT FOR THE IMMEDIATELY PRECEDING
18 STATE FISCAL YEAR BY THE PERCENTAGE BY WHICH THE AVERAGE UNITED
19 STATES CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE STATE
20 FISCAL YEAR IN WHICH THE ADJUSTMENT IS MADE DIFFERS FROM THAT
21 INDEX'S AVERAGE FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR
22 AND ADDING THAT PRODUCT TO THE AMOUNT THAT APPLIED IN THE IMMEDI-
23 ATELY PRECEDING STATE FISCAL YEAR, ROUNDING TO THE NEAREST WHOLE
24 DOLLAR.

25 (2) AS USED IN THIS SECTION:

26 (A) "LOCAL AND INTERMEDIATE SCHOOL DISTRICT EXPENDITURES"
27 MEANS THE TOTAL EXPENDITURES MADE FOR EDUCATION, INCLUDING, BUT

1 NOT LIMITED TO, EXPENDITURES FOR OPERATIONS AND PERSONNEL COSTS,
2 BY LOCAL AND INTERMEDIATE SCHOOL DISTRICTS FROM STATE AND LOCAL
3 FUNDS, INCLUDING EXPENDITURES MADE FROM FEDERAL AID, MINUS THE
4 VALUE OF ANY PROPERTY TAX OR INCOME TAX CREDITS, DEDUCTIONS, OR
5 EXEMPTIONS ATTRIBUTABLE TO LOCAL OR INTERMEDIATE SCHOOL DISTRICT
6 PROPERTY TAXES, AS CERTIFIED UNDER SECTION 11C.

7 (B) "TOTAL STATE AID TO LOCAL AND INTERMEDIATE SCHOOL
8 DISTRICTS" MEANS ALL PAYMENTS MADE BY THE STATE, INCLUDING PAY-
9 MENTS MADE FROM FEDERAL AID, TO OR ON BEHALF OF LOCAL AND INTER-
10 MEDIATE SCHOOL DISTRICTS OR THEIR SUCCESSOR ENTITIES, OR TO OR ON
11 BEHALF OF EMPLOYEES OF THE LOCAL AND INTERMEDIATE SCHOOL DIS-
12 TRICTS, AND THE VALUE OF ANY PROPERTY TAX OR INCOME TAX CREDITS,
13 DEDUCTIONS, OR EXEMPTIONS ATTRIBUTABLE TO LOCAL OR INTERMEDIATE
14 SCHOOL DISTRICT PROPERTY TAXES, AS CERTIFIED UNDER SECTION 11C.

15 SEC. 11C. FOR PURPOSES OF SECTION 11B, THE STATE TREASURER
16 SHALL ANNUALLY ESTIMATE AND CERTIFY TO THE DIRECTOR OF THE
17 DEPARTMENT OF MANAGEMENT AND BUDGET NOT LATER THAN JANUARY 15 THE
18 VALUE OF ANY PROPERTY TAX OR INCOME TAX CREDITS, DEDUCTIONS, OR
19 EXEMPTIONS ATTRIBUTABLE TO LOCAL OR INTERMEDIATE SCHOOL DISTRICT
20 PROPERTY TAXES FOR THE PRECEDING CALENDAR YEAR.