

Act No. 119  
Public Acts of 1991  
Approved by the Governor  
October 11, 1991  
Filed with the Secretary of State  
October 11, 1991

**STATE OF MICHIGAN  
86TH LEGISLATURE  
REGULAR SESSION OF 1991**

Introduced by Reps. Bartnik, Alley, DeMars, Nye, Hoekman, Harder, Martin, Middaugh, Jaye, Bodem,  
Dalman, Hoffman, Dobb and Middleton

# ENROLLED HOUSE BILL No. 4573

AN ACT to make appropriations for the public school employees' retirement system for the fiscal year ending September 30, 1992; to provide for the expenditure of the appropriations; to provide for the assumed annual level percentage of payroll contribution rate and its assignment; and to provide for the disposition of other income received by the retirement system.

*The People of the State of Michigan enact:*

Sec. 101. There is appropriated for the public school employees' retirement system for the fiscal year ending September 30, 1992, the following amounts:

**PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

**APPROPRIATIONS SUMMARY:**

GROSS APPROPRIATION .....	\$	415,798,800
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers .....		0
ADJUSTED GROSS APPROPRIATION .....	\$	415,798,800
Federal revenues:		
Total federal revenues .....		14,075,500
Special revenue funds:		
Total other state restricted revenues .....		387,299,400
State general fund/general purpose .....	\$	14,423,900

	For Fiscal Year Ending Sept. 30, 1992
<b>RETIREMENT ALLOWANCE</b>	
Normal cost .....	\$ 95,611,400
Unfunded accrued liabilities .....	83,660,000
Deficient interdepartmental grant revenues .....	\$ 6,030,900
<b>GROSS APPROPRIATION</b> .....	<b>\$ 185,302,300</b>
Appropriated from:	
Federal revenues:	
Retirement contribution pass-through .....	6,727,800
Special revenue funds:	
School aid fund .....	172,543,600
State general fund/general purpose .....	\$ 6,030,900
<b>HEALTH INSURANCE</b>	
Deficient interdepartmental grant revenues .....	\$ 6,594,000
Premium disbursement .....	\$ 195,788,300
<b>GROSS APPROPRIATION</b> .....	<b>\$ 202,382,300</b>
Appropriated from:	
Federal revenues:	
Retirement contribution pass-through .....	7,347,700
Special revenue funds:	
School aid fund .....	188,440,600
State general fund/general purpose .....	\$ 6,594,000
<b>RECONCILIATION</b>	
1988-89 final adjustment (20%, phase 1 of 5) .....	\$ 283,800
1988-89 tentative adjustment (20%, phase 2 of 5) .....	10,968,400
1989-90 tentative adjustment (20%, phase 1 of 5) .....	9,271,000
Interest payment on unpaid balances .....	7,591,000
<b>GROSS APPROPRIATION</b> .....	<b>\$ 28,114,200</b>
Appropriated from:	
Special revenue funds:	
School aid fund .....	26,315,200
State general fund/general purpose .....	\$ 1,799,000

Sec. 201. Pursuant to the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this act is \$401,723,300.00. There are no state appropriations to be paid to local units of government in section 101.

Sec. 202. Adjustments are made under the reconciliation appropriation unit to reflect the difference between the estimated and actual 1988-89 contribution requirements and the estimated and actual 1989-90 contribution requirements for the public school employees' retirement system as required in section 41 of the public school employees retirement act of 1979, Act No. 300 of the Public Acts of 1980, being section 38.1341 of the Michigan Compiled Laws. The net amount of these adjustments shall be applied proportionately to the reserve for employer contributions created by section 30 of Act No. 300 of the Public Acts of 1980, as amended, being section 38.1330 of the Michigan Compiled Laws, and the reserve for health benefits created by section 34 of Act No. 300 of the Public Acts of 1980, being section 38.1334 of the Michigan Compiled Laws.

Sec. 203. (1) The appropriations in this act are made pursuant to the public school employees retirement act of 1979, Act No. 300 of the Public Acts of 1980, being sections 38.1301 to 38.1407 of the Michigan Compiled Laws. The appropriations are to be allocated, using the entry age normal cost actuarial method and risk assumptions adopted by the retirement board and the department of management and budget, from the school aid fund established by section 11 of article IX of the state constitution of 1963.

(2) The annual level percentage of payroll contribution rate assumed for the 1991-92 state fiscal year is 11.28%. The portion of the contribution rate assigned to local school districts and intermediate school districts for the 1991-92 state fiscal year is 5.0 percentage points of the total 11.28 percentage points.

Sec. 204. Included in the amounts appropriated to the public school employees' retirement system in section 101, there is appropriated sufficient funds to pay the costs associated with the administrative services only contract for claims administration in connection with the conversion to self-insurance.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved.....

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Governor.