

# HOUSE BILL No. 4232

February 12, 1991, Introduced by Rep. Jacobetti and referred to the Committee on Appropriations.

A bill to amend section 17 of Act No. 94 of the Public Acts of 1979, entitled as amended

"The state school aid act of 1979,"

as amended by Act No. 207 of the Public Acts of 1990, being section 388.1617 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 17 of Act No. 94 of the Public Acts of  
2 1979, as amended by Act No. 207 of the Public Acts of 1990, being  
3 section 388.1617 of the Michigan Compiled Laws, is amended to  
4 read as follows:

5       Sec. 17. (1) Not later than October 1, December 1, February  
6 1, April 1, June 1, and August 1, the department shall prepare a  
7 statement of the amount to be distributed, exclusive of federal  
8 social security payments, in the installment to the districts and  
9 intermediate districts and deliver the statement to the state

1 treasurer, and, SUBJECT TO SUBSECTION (7), the state treasurer  
2 shall pay the installments on each of those dates or on the next  
3 business day following each of those dates. Except for  
4 section 22(2), the portion of the district's or intermediate  
5 district's state fiscal year entitlement to be included in each  
6 installment shall be 20%, 19%, 17%, 16%, 15%, and 13%,  
7 respectively. Section 22(2) allocations shall be paid in full in  
8 the October payment. The state treasurer shall make payment  
9 under this section by drawing a warrant in favor of the treasurer  
10 of each district or intermediate district for the amount payable  
11 to the district or intermediate district according to the state-  
12 ment and delivering the warrant to the treasurer of each district  
13 or intermediate district or, beginning December 1, 1990, if the  
14 state treasurer receives a written request by the treasurer of  
15 the district or intermediate district specifying an account, by  
16 electronic funds transfer to that account of the amount payable  
17 to the district or intermediate district according to the  
18 statement. The department may make adjustments in payments made  
19 under this section through additional payments when changes in  
20 law or errors in computation cause the regularly scheduled pay-  
21 ment to be less than the amount to which the district or interme-  
22 diate district is entitled pursuant to this act. For the 1989-90  
23 school fiscal year only, a district or intermediate district may  
24 consider the amount distributed on August 1 of the next school  
25 fiscal year to be continuously allocated for either the immedi-  
26 ately preceding or current school fiscal year for state  
27 accounting purposes. A district or intermediate district that

1 chooses to allocate the August 1 payment to the immediately  
2 preceding school fiscal year shall notify in writing the depart-  
3 ment of its decision not later than October 16, 1990. Any dis-  
4 trict or intermediate district that does not so notify the  
5 department shall continue to allocate the August 1 payment for  
6 state accounting purposes to the current school fiscal year in  
7 which the payments are received under the payment schedule of  
8 this section. If a district experiences an increase in member-  
9 ship over the prior year, the August 1 payment shall be recom-  
10 puted so that the district receives credit for the increased mem-  
11 bership in the school fiscal year, with the additional amount due  
12 the district to be allocated in the February 1, April 1, or June  
13 1 payments or any combination of these payments. However, this  
14 additional amount shall then be deducted from the district's sub-  
15 sequent August 1 payment, so that the state pays the district no  
16 more, in the state's fiscal year, than the district's proper  
17 entitlement under this act.

18 (2) Payments made pursuant to subsection (1) shall be  
19 adjusted so that districts and intermediate districts receive, in  
20 addition, in their 1982-83 school fiscal year those amounts by  
21 which their 1982-83 school fiscal year payments were reduced due  
22 to executive order 1982-13. Payments in subsequent fiscal years  
23 shall be adjusted so that districts and intermediate districts  
24 receive not later than October 31 of their school fiscal year  
25 those amounts by which the payments of that school fiscal year  
26 were reduced due to this subsection.

1       (3) Payments made pursuant to subsection (1) shall be  
2 adjusted so that districts and intermediate districts receive, in  
3 addition, in their 1983-84 school fiscal year 60% of those  
4 amounts by which their 1983-84 school fiscal year payments were  
5 reduced due to Executive Order 1983-5. Payments in subsequent  
6 fiscal years shall be adjusted so that districts and intermediate  
7 districts receive not later than October 31 for each school  
8 fiscal year those amounts by which the payments of that school  
9 fiscal year were reduced due to this subsection.

10       (4) In order to ensure that all districts and intermediate  
11 districts receive the adjustments provided for in subsections (2)  
12 and (3), the department may make any necessary adjustments in  
13 individual district and intermediate district payments.

14       (5) Monthly payments to assist employer districts or  
15 employer intermediate districts in meeting their federal social  
16 security contribution obligations shall be disbursed by the state  
17 treasurer pursuant to section 146. The department shall prepare  
18 a monthly statement of the amount to be distributed to the dis-  
19 tricts or intermediate districts and deliver the statement to the  
20 state treasurer. The state treasurer shall make payment under  
21 this section by drawing a warrant in favor of the treasurer of  
22 each district or intermediate district for the amount payable to  
23 the district or intermediate district according to the statement  
24 and delivering the warrant to the treasurer of each district or  
25 intermediate district or, beginning December 1, 1990, if the  
26 state treasurer receives a written request by the treasurer of  
27 the district or intermediate district specifying an account, by

1 electronic funds transfer to that account of the amount payable  
2 to the district or intermediate district according to the  
3 statement.

4       (6) For the 1990-91 state fiscal year, if a district files a  
5 statement with the state treasurer not later than August 15, 1990  
6 certifying that the district expects the amount of industrial  
7 facility tax levied under Act No. 198 of the Public Acts of 1974,  
8 being sections 207.551 to 207.571 of the Michigan Compiled Laws,  
9 to exceed state school aid payments under section 21(1) in the  
10 1990-91 state fiscal year and the district's industrial facility  
11 tax payment exceeded state school aid payments under  
12 section 21(1) in the 1989-90 state fiscal year, the October 1  
13 school aid payment shall be increased by the amount by which the  
14 state treasurer certifies that the industrial facility tax will  
15 exceed the payments under section 21(1). However, the amount of  
16 the increase shall not exceed the amount by which the industrial  
17 facility tax exceeded section 21(1) state school aid payments in  
18 the 1989-90 state fiscal year. If the state tax commission cer-  
19 tifies that industrial facility tax collections for a district  
20 subject to this subsection are less than the total amount of the  
21 payments the district received under section 21(1), the differ-  
22 ence shall be deducted from the August 1 school aid payment.

23       (7) FOR THE 1990-91 FISCAL YEAR ONLY, THE AUGUST 1, 1991  
24 PAYMENT TO DISTRICTS AND INTERMEDIATE DISTRICTS UNDER  
25 SUBSECTION (1) SHALL NOT BE MADE. THE AMOUNT THAT WOULD HAVE  
26 BEEN PAID IN THE AUGUST 1991 PAYMENT, TAKING INTO ACCOUNT ALL

1 PAYMENT ADJUSTMENTS THAT WOULD HAVE BEEN MADE TO THAT PAYMENT,  
2 SHALL BE PAID ON OCTOBER 1, 1991 AS A SEPARATE PAYMENT.