

SENATE BILL NO. 284

February 9, 1999, Introduced by Senator GAST and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 11 and 17b (MCL 388.1611 and 388.1617b), as amended by 1998 PA 553.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) ~~For the fiscal year ending September 30,~~
2 ~~1998, there is appropriated for the public schools of this state~~
3 ~~and certain other state purposes relating to education the sum of~~
4 ~~\$8,717,471,600.00 from the state school aid fund established by~~
5 ~~section 11 of article IX of the state constitution of 1963 and~~
6 ~~the sum of \$377,935,400.00 from the general fund.~~ For the fiscal
7 year ending September 30, 1999, there is appropriated for the
8 public schools of this state and certain other state purposes
9 relating to education the sum of ~~-\$9,000,761,900.00-~~
10 \$_____.00 from the state school aid fund established by

1 section 11 of article IX of the state constitution of 1963 and
2 the sum of ~~-\$420,613,500.00~~ \$_____.00 from the general
3 fund. For the fiscal year ending September 30, 2000, there is
4 appropriated for the public schools of this state and certain
5 other state purposes relating to education the sum of
6 ~~-\$9,366,408,600.00~~ \$_____.00 from the state school aid fund
7 established by section 11 of article IX of the state constitution
8 of 1963 and the sum of ~~-\$420,613,500.00~~ \$_____.00 from the
9 general fund. In addition, available federal funds are appropri-
10 ated for ~~1997-98, for~~ 1998-99 ~~—~~, and for 1999-2000.

11 (2) The appropriations under this section shall be allocated
12 as provided in this act. Money appropriated under this section
13 from the general fund and from available federal funds shall be
14 expended to fund the purposes of this act before the expenditure
15 of money appropriated under this section from the state school
16 aid fund. If the maximum amount appropriated under this section
17 from the state school aid fund for a fiscal year exceeds the
18 amount necessary to fully fund allocations under this act from
19 the state school aid fund, that excess amount shall not be
20 expended in that state fiscal year and shall not lapse to the
21 general fund, but instead shall remain in the state school aid
22 fund.

23 (3) If the maximum amount appropriated under this section
24 and sections 11f and 11g from the state school aid fund for a
25 fiscal year exceeds the amount available for expenditure from the
26 state school aid fund for that fiscal year, payments under
27 sections 11f, 11g, and 51a(2) shall be made in full and payments

1 under each of the other sections of this act shall be prorated on
2 an equal percentage basis as necessary to reflect the amount
3 available for expenditure from the state school aid fund for that
4 fiscal year. However, if the department of treasury determines
5 that proration will be required under this subsection, the
6 department of treasury shall notify the director of the depart-
7 ment of management and budget, and the director of the department
8 of management and budget shall notify the legislature at least 30
9 calendar days or 6 legislative session days, whichever is more,
10 before the department reduces any payments under this act because
11 of the proration. During the 30 calendar day or 6 legislative
12 session day period after that notification by the director of the
13 department of management and budget, the department shall not
14 reduce any payments under this act because of proration under
15 this subsection. The legislature may prevent proration from
16 occurring by, within the 30 calendar day or 6 legislative session
17 day period after that notification by the department of manage-
18 ment and budget, enacting legislation appropriating additional
19 funds from the general fund, countercyclical budget and economic
20 stabilization fund, state school aid fund balance, or another
21 source to fund the amount of the projected shortfall.

22 Sec. 17b. (1) Not later than October 20, November 20,
23 December 20, January 20, February 20, March 20, April 20, May 20,
24 June 20, July 20, and August 20, the department shall prepare a
25 statement of the amount to be distributed under this act in the
26 installment to the districts and intermediate districts and
27 deliver the statement to the state treasurer, and the state

1 treasurer shall pay the installments on each of those dates or on
2 the next business day following each of those dates. Except as
3 otherwise provided in this act, the portion of the district's or
4 intermediate district's state fiscal year entitlement to be
5 included in each installment shall be 1/11. ~~However, for~~
6 ~~1997-98 only, there shall not be an installment paid on August~~
7 ~~20, and the portion to be included in each installment shall be~~
8 ~~11.11% for the October and November payments; 9.72% for the~~
9 ~~December, January, February, March, April, May, and June pay-~~
10 ~~ments; and 9.74% for the July payment. The payments due to a~~
11 ~~district in 1997-98 on April 20, May 20, June 20, and July 20~~
12 ~~pursuant to this section each shall be reduced by an amount equal~~
13 ~~to 1/4 of the district's total additional payments in 1996-97~~
14 ~~under former section 20c.~~ A district or intermediate district
15 shall accrue the payments received in July and August to the
16 school fiscal year ending the immediately preceding June 30.

17 (2) The state treasurer shall make payment under this sec-
18 tion by drawing a warrant in favor of the treasurer of each dis-
19 trict or intermediate district for the amount payable to the dis-
20 trict or intermediate district according to the statement and
21 delivering the warrant to the treasurer of each district or
22 intermediate district, or if the state treasurer receives a writ-
23 ten request by the treasurer of the district or intermediate dis-
24 trict specifying an account, by electronic funds transfer to that
25 account of the amount payable to the district or intermediate
26 district according to the statement. The department may make
27 adjustments in payments made under this section through

1 additional payments when changes in law or errors in computation
2 cause the regularly scheduled payment to be less than the amount
3 to which the district or intermediate district is entitled pursu-
4 ant to this act.

5 (3) Except as otherwise specified in this act, grant pay-
6 ments under this act shall be paid according to subsection (1).

7 (4) Upon the written request of a district or intermediate
8 district and the submission of proof satisfactory to the depart-
9 ment of a need of a temporary and nonrecurring nature, the super-
10 intendent, with the written concurrence of the state treasurer
11 and the director of management and budget, may authorize an
12 advance release of funds due a district or intermediate district
13 under this act. Such an advance shall not cause funds to be paid
14 to a district or intermediate district more than 30 days earlier
15 than the established payment date for those funds.