

HOUSE BILL No. 4371

February 27, 2001, Introduced by Rep. Shulman 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 2000 PA 297.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) ~~For the fiscal year ending September 30,~~
2 ~~2000, there is appropriated for the public schools of this state~~
3 ~~and certain other state purposes relating to education the sum of~~
4 ~~\$9,623,215,800.00 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 \$420,613,500.00 from the general fund.~~ For the fiscal
7 year ending September 30, 2001, there is appropriated for the
8 public schools of this state and certain other state purposes
9 relating to education the sum of ~~-\$10,402,821,500.00~~ \$_____
10 from the state school aid fund established by section 11 of

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1 article IX of the state constitution of 1963 and the sum of
2 \$385,613,500.00 from the general fund. For the fiscal year
3 ending September 30, 2002, there is appropriated for the public
4 schools of this state and certain other state purposes relating
5 to education the sum of ~~\$11,192,489,800.00~~ \$_____ from the
6 state school aid fund established by section 11 of article IX of
7 the state constitution of 1963 and the sum of \$205,613,500.00
8 from the general fund. For the fiscal year ending September 30,
9 2003, there is appropriated for the public schools of this state
10 and certain other state purposes relating to education the sum of
11 ~~\$11,339,360,300.00~~ \$_____ from the state school aid fund
12 established by section 11 of article IX of the state constitution
13 of 1963 and the sum of \$420,613,500.00 from the general fund. In
14 addition, available federal funds are appropriated for each of
15 those fiscal years.

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

1 (3) If the maximum amount appropriated under this section
2 and section 11f from the state school aid fund for a fiscal year
3 exceeds the amount available for expenditure from the state
4 school aid fund for that fiscal year, payments under sections
5 11f, 11g, 22a, 31d, 51a(2), and 51c shall be made in full and
6 payments under each of the other sections of this act shall be
7 prorated on an equal percentage basis as necessary to reflect the
8 amount available for expenditure from the state school aid fund
9 for that fiscal year. However, if the department of treasury
10 determines that proration will be required under this subsection,
11 the department of treasury shall notify the state budget direc-
12 tor, and the state budget director shall notify the legislature
13 at least 30 calendar days or 6 legislative session days, which-
14 ever is more, before the department reduces any payments under
15 this act because of the proration. During the 30 calendar day or
16 6 legislative session day period after that notification by the
17 state budget director, the department shall not reduce any pay-
18 ments under this act because of proration under this subsection.
19 The legislature may prevent proration from occurring by, within
20 the 30 calendar day or 6 legislative session day period after
21 that notification by the state budget director, enacting legisla-
22 tion appropriating additional funds from the general fund,
23 countercyclical budget and economic stabilization fund, state
24 school aid fund balance, or another source to fund the amount of
25 the projected shortfall.

26 (4) Except for the allocation under section 26a, any general
27 fund allocations under this act that are not expended by the end

1 of the state fiscal year are transferred to the state school aid
2 fund.

3 Sec. 17b. (1) Not later than October 20, November 20,
4 December 20, January 20, February 20, March 20, April 20, May 20,
5 June 20, July 20, and August 20, the department shall prepare a
6 statement of the amount to be distributed under this act in the
7 installment to the districts and intermediate districts and
8 deliver the statement to the state treasurer, and the state trea-
9 surer shall pay the installments on each of those dates or, if
10 the date is not a business day, on the immediately preceding
11 business day before that date. Except as otherwise provided in
12 this act, the portion of the district's or intermediate
13 district's state fiscal year entitlement to be included in each
14 installment shall be 1/11. 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~~ PROVIDED in this act,
6 grant payments under this act shall be paid according to
7 subsection (1).

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