HOUSE BILL No. 5703

February 21, 2002, 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 section 11 (MCL 388.1611), as amended by 2001 PA 121.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) ~~For the fiscal year ending September 30,~~

2 ~~2001, there is appropriated for the public schools of this state~~

3 ~~and certain other state purposes relating to education the sum of~~

4 ~~$10,306,721,500.00 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 $385,613,500.00 from the general fund. For the fiscal~~

7 ~~year ending September 30, 2002, there is appropriated for the~~

8 ~~public schools of this state and certain other state purposes~~

9 ~~relating to education the sum of $10,989,699,900.00 from the~~

10 ~~state school aid fund established by section 11 of article IX of~~

1 ~~the state constitution of 1963 and the sum of $205,613,500.00~~

2 ~~from the general fund.~~ For the fiscal year ending September 30,

3 2003, there is appropriated for the public schools of this state

4 and certain other state purposes relating to education the sum of

5 ~~$10,985,960,300.00~~ $_____ from the state school aid fund

6 established by section 11 of article IX of the state constitution

7 of 1963 and the sum of ~~$420,613,500.00~~ $_____ from the

8 general fund. In addition, available federal funds are appropri-

9 ated for each of those fiscal years.

10   (2) The appropriations under this section shall be allocated

11 as provided in this act. Money appropriated under this section

12 from the general fund and from available federal funds shall be

13 expended to fund the purposes of this act before the expenditure

14 of money appropriated under this section from the state school

15 aid fund. If the maximum amount appropriated under this section

16 from the state school aid fund for a fiscal year exceeds the

17 amount necessary to fully fund allocations under this act from

18 the state school aid fund, that excess amount shall not be

19 expended in that state fiscal year and shall not lapse to the

20 general fund, but instead shall remain in the state school aid

21 fund.

22   (3) If the maximum amount appropriated under this section

23 and section 11f from the state school aid fund for a fiscal year

24 exceeds the amount available for expenditure from the state

25 school aid fund for that fiscal year, payments under sections

26 11f, 11g, 22a, 31d, 51a(2), and 51c shall be made in full and

27 payments under each of the other sections of this act shall be

1 prorated on an equal percentage basis as necessary to reflect the

2 amount available for expenditure from the state school aid fund

3 for that fiscal year. However, if the department of treasury

4 determines that proration will be required under this subsection,

5 the department of treasury shall notify the state budget direc-

6 tor, and the state budget director shall notify the legislature

7 at least 30 calendar days or 6 legislative session days, which-

8 ever is more, before the department reduces any payments under

9 this act because of the proration. During the 30 calendar day or

10 6 legislative session day period after that notification by the

11 state budget director, the department shall not reduce any pay-

12 ments under this act because of proration under this subsection.

13 The legislature may prevent proration from occurring by, within

14 the 30 calendar day or 6 legislative session day period after

15 that notification by the state budget director, enacting legisla-

16 tion appropriating additional funds from the general fund,

17 countercyclical budget and economic stabilization fund, state

18 school aid fund balance, or another source to fund the amount of

19 the projected shortfall.

20   (4) Except for the allocation under section 26a, any general

21 fund allocations under this act that are not expended by the end

22 of the state fiscal year are transferred to the state school aid

23 fund.