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House Bill 6726 (Substitute H-1 as passed by the House)

Sponsor: Representative Matthew Gillard

House Committee: Appropriations

Senate Committee: Appropriations

CONTENT

House Bill 6726 (H-1) as passed by the House would make three changes to the State School Aid Act. First, the bill would correct an error in the formula used to calculate the foundation allowances for public school academies. The original appropriations were based on the correct formula, and the Department of Education has been making payments based on the proper calculation; therefore, this is a technical change to align statute with the intended formula and fix the error.

Second, the bill would correct an error in the "20j" formula. The Act currently fails to recognize the change to the "2x" funding formula, and incorrectly awards an additional \$48 per pupil to "20j" districts. Again, the Department has been processing payments based on the intended formula (and the appropriations were based on the correct formula), and therefore this change is technical in nature, and would align statute with the intended formula and current practice.

Finally, the bill includes cleanup language providing for members of the executive committee of the Early Childhood Investment Corporation (ECIC). The bill would clarify that the four members appointed to the committee by the Governor are in addition to the 15 positions as provided under the interlocal agreement creating the ECIC. Also, the bill would require that legislative leaders provide their nominees within 30 days after the convening of session in an odd year or within 30 days of a vacancy of one of their nominated members. Failure to comply with those timelines would result in the Governor's appointment of any Michigan resident.

MCL 388.1620 et al.

FISCAL IMPACT

If the technical formula changes contained in the bill were not adopted before the end of the fiscal year, there would be a cost to the State of approximately \$10.8 million.

Date Completed: 12-11-08

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