

SENATE BILL NO. 575

October 10, 2019, Introduced by Senator SCHMIDT 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 22d (MCL 388.1622d), as amended by 2018 PA 265.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 22d. (1) ~~From the appropriation~~**In addition to the**
2 **appropriations** in section 11, an amount not to exceed ~~\$6,000,000.00~~
3 **\$7,000,000.00** is ~~allocated~~**appropriated** for ~~2018-2019~~**2019-2020**
4 **from the state school aid fund** for supplemental payments to rural
5 districts under this section.
6 (2) From the ~~allocation~~**appropriation** under subsection (1),

1 there is allocated for ~~2018-2019~~**2019-2020** an amount not to exceed
2 \$957,300.00 for payments under this subsection to districts that
3 meet all of the following:

4 (a) Operates grades K to 12.

5 (b) Has fewer than 250 pupils in membership.

6 (c) Each school building operated by the district meets at
7 least 1 of the following:

8 (i) Is located in the Upper Peninsula at least 30 miles from
9 any other public school building.

10 (ii) Is located on an island that is not accessible by bridge.

11 (3) The amount of the additional funding to each eligible
12 district under subsection (2) ~~shall be~~**is** determined under a
13 spending plan developed as provided in this subsection and approved
14 by the superintendent of public instruction. The spending plan
15 ~~shall~~**must** be developed cooperatively by the intermediate
16 superintendents of each intermediate district in which an eligible
17 district is located. The intermediate superintendents shall review
18 the financial situation of each eligible district, determine the
19 minimum essential financial needs of each eligible district, and
20 develop and agree on a spending plan that distributes the available
21 funding under subsection (2) to the eligible districts based on
22 those financial needs. The intermediate superintendents shall
23 submit the spending plan to the superintendent of public
24 instruction for approval. Upon approval by the superintendent of
25 public instruction, the amounts specified for each eligible
26 district under the spending plan are allocated under subsection (2)
27 and ~~shall~~**must** be paid to the eligible districts in the same manner
28 as payments under section 22b.

29 (4) Subject to subsection (6), from the ~~allocation~~

appropriation in subsection (1), there is allocated for ~~2018-2019~~
2019-2020 an amount not to exceed ~~\$5,042,700.00~~ **\$6,042,700.00** for
 payments under this subsection to districts that have ~~7.7 or fewer~~
than 10.0 pupils per square mile as determined by the department.

(5) The funds allocated under subsection (4) ~~shall be~~ **are**
 allocated ~~on an equal per-pupil basis~~ **as follows:**

(a) An amount equal to \$5,200,000.00 is allocated to districts
 with fewer than 8.0 pupils per square mile, as determined by the
 department, on an equal per-pupil basis.

(b) The balance of the funding under subsection (4) is
 allocated as follows:

(i) For districts with at least 8.0 but fewer than 9.0 pupils
 per square mile, as determined by the department, the allocation is
 an amount per pupil equal to 75% of the per-pupil amount allocated
 to districts under subdivision (a).

(ii) For districts with at least 9.0 but fewer than 10.0 pupils
 per square mile, as determined by the department, the allocation is
 an amount per pupil equal to 50% of the per-pupil amount allocated
 to districts under subdivision (a).

(c) If the total funding allocated under subdivision (b) is
 not sufficient to fully fund payments as calculated under that
 subdivision, the department shall prorate payments to districts
 under subdivision (b) on an equal per-pupil basis.

(6) A district receiving funds allocated under subsection (2)
 is not eligible for funding allocated under subsection (4).

Enacting section 1. In accordance with section 30 of article
 IX of the state constitution of 1963, total state spending on
 school aid under article I of the state school aid act of 1979,
 1979 PA 94, MCL 388.1601 to 388.1772, as amended by 2019 PA 58 and

1 this amendatory act, from state sources for fiscal year 2019-2020
2 is estimated at \$13,399,185,100.00 and state appropriations for
3 school aid to be paid to local units of government for fiscal year
4 2019-2020 are estimated at \$13,193,465,300.00.