

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 173

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),
section 11 as amended by 2022 PA 212 and section 17b as amended by
2007 PA 137.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) For the fiscal year ending September 30, ~~2023,~~
2 **2024**, there is appropriated for the public schools of this state
3 and certain other state purposes relating to education the sum of
4 ~~\$16,754,072,900.00~~ **\$100.00** from the state school aid fund, the sum
5 of ~~\$124,200,000.00~~ **\$100.00** from the general fund, an amount not to
6 exceed ~~\$72,000,000.00~~ **\$100.00** from the community district education
7 trust fund created under section 12 of the Michigan trust fund act,

1 2000 PA 489, MCL 12.262, and an amount not to exceed
2 ~~\$140,400,000.00~~ **\$100.00** from the MPERS retirement obligation
3 reform reserve fund created under section 147b. In addition, all
4 available federal funds are only appropriated as allocated in this
5 article for the fiscal year ending September 30, ~~2023~~ **2024**.

6 (2) The appropriations under this section are allocated as
7 provided in this article. Money appropriated under this section
8 from the general fund must be expended to fund the purposes of this
9 article before the expenditure of money appropriated under this
10 section from the state school aid fund.

11 (3) Any general fund allocations under this article that are
12 not expended by the end of the fiscal year are transferred to the
13 school aid stabilization fund created under section 11a.

14 Sec. 17b. (1) Not later than October 20, November 20, December
15 20, January 20, February 20, March 20, April 20, May 20, June 20,
16 July 20, and August 20, the department shall prepare electronic
17 files of the amount to be distributed under this act in the
18 installment to the districts and intermediate districts and deliver
19 the electronic files to the state treasurer, and the state
20 treasurer shall pay the installments on each of those dates or, if
21 the date is not a business day, on the next business day following
22 that date. Except as otherwise provided in this act, the portion of
23 the district's or intermediate district's state fiscal year
24 entitlement to be included in each installment ~~shall~~ **must** be 1/11.
25 A district or intermediate district shall accrue the payments
26 received in July and August to the school fiscal year ending the
27 immediately preceding June 30.

28 (2) The state treasurer shall make payment under this section
29 by drawing a warrant in favor of the treasurer of each district or

1 intermediate district for the amount payable to the district or
2 intermediate district according to the electronic files and
3 delivering the warrant to the treasurer of each district or
4 intermediate district, or if the state treasurer receives a written
5 request by the treasurer of the district or intermediate district
6 specifying an account, by electronic funds transfer to that account
7 of the amount payable to the district or intermediate district
8 according to the electronic files. The department may make
9 adjustments in payments made under this section through additional
10 payments when changes in law or errors in computation cause the
11 regularly scheduled payment to be less than the amount to which the
12 district or intermediate district is entitled ~~pursuant to~~ **under**
13 this act.

14 (3) Except as otherwise provided in this act, grant payments
15 to districts and intermediate districts under this act ~~shall~~ **must**
16 be paid according to the installment **payment** schedule under
17 subsection (1).

18 (4) Upon the written request of a district or intermediate
19 district and the submission of proof satisfactory to the department
20 of a need of a temporary and nonrecurring nature, the
21 superintendent, with the written concurrence of the state treasurer
22 and the state budget director, may authorize an advance release of
23 funds due a district or intermediate district under this act. An
24 advance authorized under this subsection ~~shall~~ **must** not cause funds
25 to be paid to a district or intermediate district more than 30 days
26 earlier than the established payment date for those funds.