

HOUSE BILL NO. 4577

June 05, 2025, Introduced by Rep. Kelly and referred to 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),
section 11 as amended by 2024 PA 148 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, ~~2025,~~
2 **2026**, there is appropriated for the public schools of this state
3 and certain other state purposes relating to education the sum of
4 ~~\$17,769,551,300.00~~ **\$100.00** from the state school aid fund, the sum

1 of ~~\$78,830,600.00~~ **\$100.00** from the general fund, an amount not to
 2 exceed ~~\$41,000,000.00~~ **\$100.00** from the community district education
 3 trust fund created under section 12 of the Michigan trust fund act,
 4 2000 PA 489, MCL 12.262, an amount not to exceed ~~\$125,000,000.00~~
 5 **\$100.00** from the school transportation fund created under section
 6 22k, an amount not to exceed ~~\$71,000,000.00~~ **\$100.00** from the
 7 enrollment stabilization fund created under section 29, an amount
 8 not to exceed ~~\$30,000,000.00~~ **\$100.00** from the school meals reserve
 9 fund created under section 30e, an amount not to exceed
 10 ~~\$18,000,000.00~~ **\$100.00** from the great start readiness program
 11 reserve fund created under section 32e, an amount not to exceed
 12 ~~\$334,100,000.00~~ **\$100.00** from the MPERS retirement obligation
 13 reform reserve fund created under section 147b, and an amount not
 14 to exceed ~~\$30,000,000.00~~ **\$100.00** from the educator fellowship
 15 public provider fund created in section 27d. In addition, all
 16 available federal funds are only appropriated as allocated in this
 17 article for the fiscal year ending September 30, ~~2025~~ **2026**.

18 (2) The appropriations under this section are allocated as
 19 provided in this article. Money appropriated under this section
 20 from the general fund must be expended to fund the purposes of this
 21 article before the expenditure of money appropriated under this
 22 section from the state school aid fund.

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

26 Sec. 17b. (1) Not later than October 20, November 20, December
 27 20, January 20, February 20, March 20, April 20, May 20, June 20,
 28 July 20, and August 20, the department shall prepare electronic
 29 files of the amount to be distributed under this act in the

1 installment to the districts and intermediate districts and deliver
2 the electronic files to the state treasurer, and the state
3 treasurer shall pay the installments on each of those dates or, if
4 the date is not a business day, on the next business day following
5 that date. Except as otherwise provided in this act, the portion of
6 the district's or intermediate district's state fiscal year
7 entitlement to be included in each installment ~~shall~~**must** be 1/11.
8 A district or intermediate district shall accrue the payments
9 received in July and August to the school fiscal year ending the
10 immediately preceding June 30.

11 (2) The state treasurer shall make payment under this section
12 by drawing a warrant in favor of the treasurer of each district or
13 intermediate district for the amount payable to the district or
14 intermediate district according to the electronic files and
15 delivering the warrant to the treasurer of each district or
16 intermediate district, or if the state treasurer receives a written
17 request by the treasurer of the district or intermediate district
18 specifying an account, by electronic funds transfer to that account
19 of the amount payable to the district or intermediate district
20 according to the electronic files. The department may make
21 adjustments in payments made under this section through additional
22 payments when changes in law or errors in computation cause the
23 regularly scheduled payment to be less than the amount to which the
24 district or intermediate district is entitled ~~pursuant to~~**under**
25 this act.

26 (3) Except as otherwise provided in this act, grant payments
27 to districts and intermediate districts under this act shall be
28 paid according to the installment **payment** schedule under subsection
29 (1).

1 (4) Upon the written request of a district or intermediate
2 district and the submission of proof satisfactory to the department
3 of a need of a temporary and nonrecurring nature, the
4 superintendent, with the written concurrence of the state treasurer
5 and the state budget director, may authorize an advance release of
6 funds due a district or intermediate district under this act. An
7 advance authorized under this subsection ~~shall~~**must** not cause funds
8 to be paid to a district or intermediate district more than 30 days
9 earlier than the established payment date for those funds.