

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 775**

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 2014 PA 116 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, ~~2014,~~
2 **2015**, there is appropriated for the public schools of this state
3 and certain other state purposes relating to education the sum of
4 ~~\$11,115,232,300.00~~ **\$100.00** from the state school aid fund, the sum
5 of ~~\$156,000,000.00~~ **\$0.00** from the MPSERS retirement obligation
6 reform reserve fund created under section 147b, and the sum of
7 ~~\$234,900,000.00~~ **\$0.00** from the general fund. In addition, all other

1 available federal funds are appropriated for the fiscal year ending
2 September 30, 2014.

3 (2) The appropriations under this section shall be allocated
4 as provided in this article. Money appropriated under this section
5 from the general fund shall be expended to fund the purposes of
6 this article before the expenditure of money appropriated under
7 this section from the state school aid fund.

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

11 Sec. 17b. (1) Not later than October 20, November 20, December
12 20, January 20, February 20, March 20, April 20, May 20, June 20,
13 July 20, and August 20, the department shall prepare electronic
14 files of the amount to be distributed under this act in the
15 installment to the districts and intermediate districts and deliver
16 the electronic files to the state treasurer, and the state
17 treasurer shall pay the installments on each of those dates or, if
18 the date is not a business day, on the next business day following
19 that date. Except as otherwise provided in this act, the portion of
20 the district's or intermediate district's state fiscal year
21 entitlement to be included in each installment shall be 1/11. A
22 district or intermediate district shall accrue the payments
23 received in July and August to the school fiscal year ending the
24 immediately preceding June 30.

25 (2) The state treasurer shall make payment under this section
26 by drawing a warrant in favor of the treasurer of each district or
27 intermediate district for the amount payable to the district or

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

12 (3) Except as otherwise provided in this act, grant payments
13 to districts and intermediate districts under this act shall be
14 paid according to the installment **PAYMENT** schedule under subsection
15 (1).

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

25 Enacting section 1. In accordance with section 30 of article I
26 of the state constitution of 1963, total state spending on school
27 aid under article I as amended by this amendatory act from state

- 1 sources for fiscal year 2014-2015 is estimated at \$100.00 and state
- 2 appropriations for school aid to be paid to local units of
- 3 government for fiscal year 2014-2015 are estimated at \$100.00.