



# HOUSE BILL No. 5999

September 10, 1996, Introduced by Reps. Oxender and Gilmer and referred to the Committee on Appropriations.

A bill to amend sections 11 and 17b of Act No. 94 of the Public Acts of 1979, entitled as amended "The state school aid act of 1979," section 11 as amended by Act No. 180 of the Public Acts of 1996 and section 17b as amended by Act No. 130 of the Public Acts of 1995, being sections 388.1611 and 388.1617b of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 11 and 17b of Act No. 94 of the Public  
2 Acts of 1979, section 11 as amended by Act No. 180 of the Public  
3 Acts of 1996 and section 17b as amended by Act No. 130 of the  
4 Public Acts of 1995, being sections 388.1611 and 388.1617b of the  
5 Michigan Compiled Laws, are amended to read as follows:

6 Sec. 11. (1) There is appropriated for the public schools  
7 of this state and certain other state purposes relating to

1 education from the state school aid fund established by section  
 2 11 or article IX of the state constitution of 1963 the sum of  
 3 ~~\$7,610,289,000.00~~ \$ \_\_\_\_\_, and from the general fund the  
 4 sum of ~~\$589,077,000.00~~ \$ \_\_\_\_\_, for the fiscal year ending  
 5 September 30, ~~1996~~ 1997. In addition, available federal funds  
 6 are appropriated. ~~Also, if the 88th Legislature enacts legisla-~~  
 7 ~~tion that provides for the resolution of claims against the unin-~~  
 8 ~~sured employers' security fund that were outstanding as of~~  
 9 ~~December 29, 1994, an additional \$26,000,000.00 is appropriated~~  
 10 ~~from the workplace health and safety fund to the state school aid~~  
 11 ~~fund, and that \$26,000,000.00 is then appropriated from the state~~  
 12 ~~school aid fund to be used for the purposes of this act.~~

13       ~~(2) If the decision issued April 25, 1995 by the Michigan~~  
 14 ~~supreme court in Musselman v Governor (docket nos. 97322, 97915)~~  
 15 ~~is overturned on rehearing so that prefunding of retirement~~  
 16 ~~health care benefits for members of the public school employees~~  
 17 ~~retirement system is not required, then, in addition to the~~  
 18 ~~appropriations under subsection (1), for the fiscal year ending~~  
 19 ~~September 30, 1996 there is appropriated \$35,000,000.00 from the~~  
 20 ~~reserve for health benefits for the purposes of this act.~~

21       ~~(2) (3)~~ The appropriations under this section shall be  
 22 allocated as provided in this act. Money appropriated under this  
 23 section from the general fund ~~, from the reserve for health~~  
 24 ~~benefits,~~ and from available federal funds shall be expended to  
 25 fund the purposes of this act before the expenditure of money  
 26 appropriated under this section from the state school aid fund.  
 27 If the maximum amount appropriated under this section from the

1 state school aid fund for a fiscal year exceeds the amount  
2 necessary to fully fund allocations under this act from the state  
3 school aid fund, that excess amount shall not be expended in that  
4 state fiscal year and shall not lapse to the general fund, but  
5 instead shall remain in a separate account in the state school  
6 aid fund to be used to augment funding under this act in a suc-  
7 ceeding fiscal year in which the maximum amount appropriated  
8 under this section is not sufficient to fully fund allocations  
9 under this act from the state school aid fund.

10 (3) ~~(4)~~ If the maximum amount appropriated under this sec-  
11 tion from the state school aid fund for a fiscal year exceeds the  
12 amount available for expenditure from the state school aid fund  
13 for that fiscal year, payments under each section of this act  
14 shall be prorated on an equal percentage basis as necessary to  
15 reflect the amount available for expenditure from the state  
16 school aid fund for that fiscal year.

17 Sec. 17b. (1) Not later than October 20, November 20,  
18 December 20, January 20, February 20, March 20, April 20, May 20,  
19 and June 20, the department shall prepare a statement of the  
20 amount to be distributed under this act in the installment to the  
21 districts and intermediate districts and deliver the statement to  
22 the state treasurer, and the state treasurer shall pay the  
23 installments on each of those dates or on the next business day  
24 following each of those dates. Except as otherwise provided in  
25 this act, the portion of the district's or intermediate  
26 district's state fiscal year entitlement to be included in each  
27 installment shall be 1/9. ~~However, the payments due to a~~

~~1 district in 1995-96 on April 20, May 20, and June 20 pursuant to~~  
~~2 this section each shall be reduced by an amount equal to 1/3 of~~  
~~3 the district's total additional payments in 1994-95 under section~~  
~~4 20c.~~

5       (2) The state treasurer shall make payment under this sec-  
6 tion by drawing a warrant in favor of the treasurer of each dis-  
7 trict or intermediate district for the amount payable to the dis-  
8 trict or intermediate district according to the statement and  
9 delivering the warrant to the treasurer of each district or  
10 intermediate district, or if the state treasurer receives a writ-  
11 ten request by the treasurer of the district or intermediate dis-  
12 trict specifying an account, by electronic funds transfer to that  
13 account of the amount payable to the district or intermediate  
14 district according to the statement. The department may make  
15 adjustments in payments made under this section through addi-  
16 tional payments when changes in law or errors in computation  
17 cause the regularly scheduled payment to be less than the amount  
18 to which the district or intermediate district is entitled pursu-  
19 ant to this act.

20       (3) Except as otherwise specified in this act, grant pay-  
21 ments under this act shall be paid according to subsection (1).

22       (4) Upon the written request of a district or intermediate  
23 district and the submission of proof satisfactory to the depart-  
24 ment of a need of a temporary and nonrecurring nature, the super-  
25 intendent, with the written concurrence of the state treasurer  
26 and the director of management and budget, may authorize an  
27 advance release of funds due a district or intermediate district

1 under this act. Such an advance shall not cause funds to be paid  
2 to a district or intermediate district more than 30 days earlier  
3 than the established payment date for those funds.