

HOUSE BILL No. 5702

February 21, 2002, Introduced by Rep. Shulman and referred to the 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 2001 PA 121 and section 17b as amended
by 2000 PA 297.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) ~~For the fiscal year ending September 30,~~
2 ~~2001, there is appropriated for the public schools of this state~~
3 ~~and certain other state purposes relating to education the sum of~~
4 ~~\$10,306,721,500.00 from the state school aid fund established by~~
5 ~~section 11 of article IX of the state constitution of 1963 and~~
6 ~~the sum of \$385,613,500.00 from the general fund. For the fiscal~~
7 ~~year ending September 30, 2002, there is appropriated for the~~
8 ~~public schools of this state and certain other state purposes~~
9 ~~relating to education the sum of \$10,989,699,900.00 from the~~

06696'02

TAV

1 ~~state school aid fund established by section 11 of article IX of~~
2 ~~the state constitution of 1963 and the sum of \$205,613,500.00~~
3 ~~from the general fund.~~ For the fiscal year ending September 30,
4 2003, there is appropriated for the public schools of this state
5 and certain other state purposes relating to education the sum of
6 ~~\$10,985,960,300.00~~ \$_____ from the state school aid fund
7 established by section 11 of article IX of the state constitution
8 of 1963 and the sum of ~~\$420,613,500.00~~ \$_____ from the
9 general fund. In addition, available federal funds are appropri-
10 ated for each of those fiscal years.

11 (2) The appropriations under this section shall be allocated
12 as provided in this act. Money appropriated under this section
13 from the general fund and from available federal funds shall be
14 expended to fund the purposes of this act before the expenditure
15 of money appropriated under this section from the state school
16 aid fund. If the maximum amount appropriated under this section
17 from the state school aid fund for a fiscal year exceeds the
18 amount necessary to fully fund allocations under this act from
19 the state school aid fund, that excess amount shall not be
20 expended in that state fiscal year and shall not lapse to the
21 general fund, but instead shall remain in the state school aid
22 fund.

23 (3) If the maximum amount appropriated under this section
24 and section 11f from the state school aid fund for a fiscal year
25 exceeds the amount available for expenditure from the state
26 school aid fund for that fiscal year, payments under sections
27 11f, 11g, 22a, 31d, 51a(2), and 51c shall be made in full and

1 payments under each of the other sections of this act shall be
2 prorated on an equal percentage basis as necessary to reflect the
3 amount available for expenditure from the state school aid fund
4 for that fiscal year. However, if the department of treasury
5 determines that proration will be required under this subsection,
6 the department of treasury shall notify the state budget direc-
7 tor, and the state budget director shall notify the legislature
8 at least 30 calendar days or 6 legislative session days, which-
9 ever is more, before the department reduces any payments under
10 this act because of the proration. During the 30 calendar day or
11 6 legislative session day period after that notification by the
12 state budget director, the department shall not reduce any pay-
13 ments under this act because of proration under this subsection.
14 The legislature may prevent proration from occurring by, within
15 the 30 calendar day or 6 legislative session day period after
16 that notification by the state budget director, enacting legisla-
17 tion appropriating additional funds from the general fund,
18 countercyclical budget and economic stabilization fund, state
19 school aid fund balance, or another source to fund the amount of
20 the projected shortfall.

21 (4) Except for the allocation under section 26a, any general
22 fund allocations under this act that are not expended by the end
23 of the state fiscal year are transferred to the state school aid
24 fund.

25 Sec. 17b. (1) Not later than October 20, November 20,
26 December 20, January 20, February 20, March 20, April 20, May 20,
27 June 20, July 20, and August 20, the department shall prepare a

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

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

1 (3) Except as otherwise ~~specified~~ PROVIDED in this act,
2 grant payments under this act shall be paid according to
3 subsection (1).

4 (4) Upon the written request of a district or intermediate
5 district and the submission of proof satisfactory to the depart-
6 ment of a need of a temporary and nonrecurring nature, the super-
7 intendent, with the written concurrence of the state treasurer
8 and the state budget director, may authorize an advance release
9 of funds due a district or intermediate district under this act.
10 ~~Such an~~ AN advance AUTHORIZED UNDER THIS SUBSECTION shall not
11 cause funds to be paid to a district or intermediate district
12 more than 30 days earlier than the established payment date for
13 those funds.