



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 252 (Substitute S-2)
Sponsor: Senator Ron Jelinek
Committee: Appropriations

Date Completed: 9-24-09

CONTENT

Senate Bill 252 (S-2) would amend the State School Aid Act by appropriating, in most cases, 1/11th of fiscal year (FY) 2008-09 allocations in order to provide funds for the first monthly payment of FY 2009-10 to school districts, charter schools, intermediate school districts, and other entities. All programs funded with State dollars, except under Section 11j, would be appropriated at 1/11th of their FY 2008-09 amount. However, a negative adjustment to those amounts equal to \$20 per pupil and 4% to intermediate school districts (ISDs) also would be made. The \$20 per pupil and 4% ISD reductions equate to roughly 1/11th of the total reductions proposed to impact schools and ISDs for FY 2009-10 under House Bill 4447 (CR-1*), the FY 2009-10 School Aid budget.

This bill includes language specifying that all State funds were being allocated for the same purposes, from the same funding sources, and under the same conditions as State funds were allocated under the Act in FY 2008-09. Most programs appropriated under this bill total 1/11th (prior to the negative adjustments) because school aid payments are made over 11 months during the year, beginning in October and ending in August, and this funding would continue FY 2008-09 policies and appropriations into the month of October 2009.

Section 11j provides debt service funding for the School Loan Bond Redemption Fund, and would be funded in its entirety at \$40.0 million. Federal funds would be appropriated in their entirety, with updated estimates for most Federal grants reflected in Section 39a.

The bill contains two boilerplate sections. The first (Section 17b) would provide for the payment schedule, and the second (Section 147) would provide for the FY 2009-10 retirement rate charged to schools for the Public School Employees Retirement System.

The bill would go into effect on October 15, 2009 if H.B. 4447 (CR-1*) is not enacted on or before October 14, 2009.

MCL 388.1601 et al

FISCAL IMPACT

The total State funds appropriated in Section 11 of the Act under this bill include \$1,050,000 from the School Aid Fund and \$2,900,000 from the General Fund.

Fiscal Analyst: Kathryn Summers

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.