

**HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 373**

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 11, 17b, 201, and 236 (MCL 388.1611,  
388.1617b, 388.1801, and 388.1836), section 11 as amended by 2018  
PA 586, section 17b as amended by 2007 PA 137, and sections 201 and  
236 as amended by 2018 PA 265.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 11. (1) ~~For the fiscal year ending September 30, 2018,~~  
2 ~~there is appropriated for the public schools of this state and~~  
3 ~~certain other state purposes relating to education the sum of~~  
4 ~~\$12,682,127,200.00 from the state school aid fund, the sum of~~  
5 ~~\$78,500,000.00 from the general fund, an amount not to exceed~~  
6 ~~\$72,000,000.00 from the community district education trust fund~~



~~1 created under section 12 of the Michigan trust fund act, 2000 PA~~  
~~2 489, MCL 12.262, an amount not to exceed \$23,100,000.00 from the~~  
~~3 MPERS retirement obligation reform reserve fund, and an amount not~~  
~~4 to exceed \$100.00 from the water emergency reserve fund. For the~~  
~~5 fiscal year ending September 30, 2019, 2020, there is appropriated~~  
~~6 for the public schools of this state and certain other state~~  
~~7 purposes relating to education the sum of \$12,876,825,200.00~~  
~~8 \$100.00 from the state school aid fund, the sum of \$87,920,000.00~~  
~~9 \$100.00 from the general fund, and an amount not to exceed~~  
~~10 \$72,000,000.00 \$100.00 from the community district education trust~~  
~~11 fund created under section 12 of the Michigan trust fund act, 2000~~  
~~12 PA 489, MCL 12.262. , an amount not to exceed \$31,900,000.00 from~~  
~~13 the MPERS retirement obligation reform reserve fund, an amount not~~  
~~14 to exceed \$30,000,000.00 from the school mental health and support~~  
~~15 services fund created under section 31m, and an amount not to~~  
~~16 exceed \$100.00 from the water emergency reserve fund. In addition,~~  
~~17 all available federal funds are appropriated each fiscal year for~~  
~~18 the fiscal years **year** ending September 30, 2018 and September 30,~~  
~~19 2019. 2020.~~

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

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

28 Sec. 17b. (1) Not later than October 20, November 20, December  
 29 20, January 20, February 20, March 20, April 20, May 20, June 20,



1 July 20, and August 20, the department shall prepare electronic  
2 files of the amount to be distributed under this act in the  
3 installment to the districts and intermediate districts and deliver  
4 the electronic files to the state treasurer, and the state  
5 treasurer shall pay the installments on each of those dates or, if  
6 the date is not a business day, on the next business day following  
7 that date. Except as otherwise provided in this act, the portion of  
8 the district's or intermediate district's state fiscal year  
9 entitlement to be included in each installment shall be 1/11. A  
10 district or intermediate district shall accrue the payments  
11 received in July and August to the school fiscal year ending the  
12 immediately preceding June 30.

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

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



1 (1).

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

11 Sec. 201. (1) Subject to the conditions set forth in this  
 12 article, the amounts listed in this section are appropriated for  
 13 community colleges for the fiscal year ending September 30, ~~2019,~~  
 14 **2020**, from the funds indicated in this section. The following is a  
 15 summary of the appropriations in this section:

16 (a) The gross appropriation is ~~\$408,215,500.00.~~ **\$100.00**. After  
 17 deducting total interdepartmental grants and intradepartmental  
 18 transfers in the amount of \$0.00, the adjusted gross appropriation  
 19 is ~~\$408,215,500.00.~~ **\$100.00**.

20 (b) The sources of the adjusted gross appropriation described  
 21 in subdivision (a) are as follows:

22 (i) Total federal revenues, \$0.00.

23 (ii) Total local revenues, \$0.00.

24 (iii) Total private revenues, \$0.00.

25 (iv) Total other state restricted revenues,  
 26 ~~\$408,215,500.00.~~ **\$100.00**.

27 (v) State general fund/general purpose money, \$0.00.

28 (2) Subject to subsection (3), the amount appropriated for  
 29 community college operations is ~~\$322,250,900.00, allocated as~~



1 follows: ~~\$100.00.~~

2       ~~(a) The appropriation for Alpena Community College is~~  
 3 ~~\$5,707,600.00, \$5,665,900.00 for operations and \$41,700.00 for~~  
 4 ~~performance funding.~~

5       ~~(b) The appropriation for Bay de Noc Community College is~~  
 6 ~~\$5,624,800.00, \$5,589,000.00 for operations and \$35,800.00 for~~  
 7 ~~performance funding.~~

8       ~~(c) The appropriation for Delta College is \$15,104,300.00,~~  
 9 ~~\$14,990,700.00 for operations and \$113,600.00 for performance~~  
 10 ~~funding.~~

11       ~~(d) The appropriation for Glen Oaks Community College is~~  
 12 ~~\$2,620,000.00, \$2,601,400.00 for operations and \$18,600.00 for~~  
 13 ~~performance funding.~~

14       ~~(e) The appropriation for Coegee Community College is~~  
 15 ~~\$4,844,300.00, \$4,809,700.00 for operations and \$34,600.00 for~~  
 16 ~~performance funding.~~

17       ~~(f) The appropriation for Grand Rapids Community College is~~  
 18 ~~\$18,709,300.00, \$18,556,800.00 for operations and \$152,500.00 for~~  
 19 ~~performance funding.~~

20       ~~(g) The appropriation for Henry Ford College is~~  
 21 ~~\$22,463,600.00, \$22,299,200.00 for operations and \$164,400.00 for~~  
 22 ~~performance funding.~~

23       ~~(h) The appropriation for Jackson College is \$12,698,200.00,~~  
 24 ~~\$12,617,200.00 for operations and \$81,000.00 for performance~~  
 25 ~~funding.~~

26       ~~(i) The appropriation for Kalamazoo Valley Community College~~  
 27 ~~is \$13,046,600.00, \$12,948,700.00 for operations and \$97,900.00 for~~  
 28 ~~performance funding.~~

29       ~~(j) The appropriation for Kellogg Community College is~~



1 ~~\$10,214,400.00, \$10,143,600.00 for operations and \$70,800.00 for~~  
 2 ~~performance funding.~~

3 ~~(k) The appropriation for Kirtland Community College is~~  
 4 ~~\$3,321,600.00, \$3,289,400.00 for operations and \$32,200.00 for~~  
 5 ~~performance funding.~~

6 ~~(l) The appropriation for Lake Michigan College is~~  
 7 ~~\$5,672,100.00, \$5,631,000.00 for operations and \$41,100.00 for~~  
 8 ~~performance funding.~~

9 ~~(m) The appropriation for Lansing Community College is~~  
 10 ~~\$32,725,800.00, \$32,515,500.00 for operations and \$210,300.00 for~~  
 11 ~~performance funding.~~

12 ~~(n) The appropriation for Macomb Community College is~~  
 13 ~~\$34,124,000.00, \$33,863,600.00 for operations and \$260,400.00 for~~  
 14 ~~performance funding.~~

15 ~~(o) The appropriation for Mid Michigan Community College is~~  
 16 ~~\$5,112,400.00, \$5,068,300.00 for operations and \$44,100.00 for~~  
 17 ~~performance funding.~~

18 ~~(p) The appropriation for Monroe County Community College is~~  
 19 ~~\$4,708,600.00, \$4,665,500.00 for operations and \$43,100.00 for~~  
 20 ~~performance funding.~~

21 ~~(q) The appropriation for Montcalm Community College is~~  
 22 ~~\$3,542,900.00, \$3,515,200.00 for operations and \$27,700.00 for~~  
 23 ~~performance funding.~~

24 ~~(r) The appropriation for C.S. Mott Community College is~~  
 25 ~~\$16,381,600.00, \$16,258,100.00 for operations and \$123,500.00 for~~  
 26 ~~performance funding.~~

27 ~~(s) The appropriation for Muskegon Community College is~~  
 28 ~~\$9,264,700.00, \$9,203,000.00 for operations and \$61,700.00 for~~  
 29 ~~performance funding.~~



1       ~~(t) The appropriation for North Central Michigan College is~~  
2 ~~\$3,402,600.00, \$3,368,400.00 for operations and \$34,200.00 for~~  
3 ~~performance funding.~~

4       ~~(u) The appropriation for Northwestern Michigan College is~~  
5 ~~\$9,625,400.00, \$9,559,700.00 for operations and \$65,700.00 for~~  
6 ~~performance funding.~~

7       ~~(v) The appropriation for Oakland Community College is~~  
8 ~~\$22,093,000.00, \$21,905,700.00 for operations and \$187,300.00 for~~  
9 ~~performance funding.~~

10       ~~(w) The appropriation for Schoolcraft College is~~  
11 ~~\$13,112,900.00, \$12,991,300.00 for operations and \$121,600.00 for~~  
12 ~~performance funding.~~

13       ~~(x) The appropriation for Southwestern Michigan College is~~  
14 ~~\$6,946,900.00, \$6,903,300.00 for operations and \$43,600.00 for~~  
15 ~~performance funding.~~

16       ~~(y) The appropriation for St. Clair County Community College~~  
17 ~~is \$7,358,700.00, \$7,300,100.00 for operations and \$58,600.00 for~~  
18 ~~performance funding.~~

19       ~~(z) The appropriation for Washtenaw Community College is~~  
20 ~~\$13,764,000.00, \$13,631,400.00 for operations and \$132,600.00 for~~  
21 ~~performance funding.~~

22       ~~(aa) The appropriation for Wayne County Community College is~~  
23 ~~\$17,487,200.00, \$17,338,300.00 for operations and \$148,900.00 for~~  
24 ~~performance funding.~~

25       ~~(bb) The appropriation for West Shore Community College is~~  
26 ~~\$2,573,400.00, \$2,556,300.00 for operations and \$17,100.00 for~~  
27 ~~performance funding.~~

28       (3) The amount appropriated in subsection (2) for community  
29 college operations is ~~\$322,250,900.00~~ **\$100.00** and is appropriated



1 from the state school aid fund.

2 ~~(4) From the appropriations described in subsection (1), both~~  
 3 ~~of the following apply:~~

4 ~~(a) Subject to section 207a, the amount appropriated for~~  
 5 ~~fiscal year 2018-2019 to offset certain fiscal year 2018-2019~~  
 6 ~~retirement contributions is \$1,733,600.00, appropriated from the~~  
 7 ~~state school aid fund.~~

8 ~~(b) For fiscal year 2018-2019 only, there is allocated an~~  
 9 ~~amount not to exceed \$6,431,000.00 for payments to participating~~  
 10 ~~community colleges, appropriated from the state school aid fund. A~~  
 11 ~~community college that receives money under this subdivision shall~~  
 12 ~~use that money solely for the purpose of offsetting the normal cost~~  
 13 ~~contribution rate.~~

14 ~~(5) From the appropriations described in subsection (1),~~  
 15 ~~subject to section 207b, the amount appropriated for payments to~~  
 16 ~~community colleges that are participating entities of the~~  
 17 ~~retirement system is \$75,300,000.00, appropriated from the state~~  
 18 ~~school aid fund.~~

19 ~~(6) From the appropriations described in subsection (1),~~  
 20 ~~subject to section 207c, the amount appropriated for renaissance~~  
 21 ~~zone tax reimbursements is \$2,500,000.00, appropriated from the~~  
 22 ~~state school aid fund.~~

23 Sec. 236. (1) Subject to the conditions set forth in this  
 24 article, the amounts listed in this section are appropriated for  
 25 higher education for the fiscal year ending September 30, ~~2019,~~  
 26 **2020**, from the funds indicated in this section. The following is a  
 27 summary of the appropriations in this section:

28 (a) The gross appropriation is ~~\$1,669,732,600.00.~~ **\$100.00.**  
 29 After deducting total interdepartmental grants and





1 intradepartmental transfers in the amount of \$0.00, the adjusted  
2 gross appropriation is ~~\$1,669,732,600.00~~. **\$100.00.**

3 (b) The sources of the adjusted gross appropriation described  
4 in subdivision (a) are as follows:

5 (i) Total federal revenues, ~~\$123,526,400.00~~. **\$0.00.**

6 (ii) Total local revenues, \$0.00.

7 (iii) Total private revenues, \$0.00.

8 (iv) Total other state restricted revenues,

9 ~~\$500,188,300.00~~. **\$0.00.**

10 (v) State general fund/general purpose money,

11 ~~\$1,046,017,900.00~~. **\$100.00.**

12 ~~(2) Amounts appropriated for public universities are as~~  
13 ~~follows:~~

14 ~~(a) The appropriation for Central Michigan University is~~  
15 ~~\$87,415,000.00, \$85,654,400.00 for operations and \$1,760,600.00 for~~  
16 ~~performance funding.~~

17 ~~(b) The appropriation for Eastern Michigan University is~~  
18 ~~\$76,979,300.00, \$75,169,900.00 for operations and \$1,809,400.00 for~~  
19 ~~performance funding.~~

20 ~~(c) The appropriation for Ferris State University is~~  
21 ~~\$54,950,700.00, \$53,595,500.00 for operations and \$1,355,200.00 for~~  
22 ~~performance funding.~~

23 ~~(d) The appropriation for Grand Valley State University is~~  
24 ~~\$72,056,600.00, \$70,100,100.00 for operations and \$1,956,500.00 for~~  
25 ~~performance funding.~~

26 ~~(e) The appropriation for Lake Superior State University is~~  
27 ~~\$13,987,000.00, \$13,775,000.00 for operations and \$212,000.00 for~~  
28 ~~performance funding.~~

29 ~~(f) The appropriation for Michigan State University is~~



1 ~~\$350,703,300.00, \$281,239,100.00 for operations, \$5,035,100.00 for~~  
2 ~~performance funding, \$34,591,400.00 for MSU AgBioResearch, and~~  
3 ~~\$29,837,700.00 for MSU Extension.~~

4 ~~(g) The appropriation for Michigan Technological University is~~  
5 ~~\$49,949,600.00, \$49,052,200.00 for operations and \$897,400.00 for~~  
6 ~~performance funding.~~

7 ~~(h) The appropriation for Northern Michigan University is~~  
8 ~~\$47,998,400.00, \$47,137,400.00 for operations and \$861,000.00 for~~  
9 ~~performance funding.~~

10 ~~(i) The appropriation for Oakland University is~~  
11 ~~\$52,819,200.00, \$51,235,900.00 for operations and \$1,583,300.00 for~~  
12 ~~performance funding.~~

13 ~~(j) The appropriation for Saginaw Valley State University is~~  
14 ~~\$30,528,000.00, \$29,766,100.00 for operations and \$761,900.00 for~~  
15 ~~performance funding.~~

16 ~~(k) The appropriation for University of Michigan - Ann Arbor~~  
17 ~~is \$320,782,400.00, \$314,589,100.00 for operations and~~  
18 ~~\$6,193,300.00 for performance funding.~~

19 ~~(l) The appropriation for University of Michigan - Dearborn is~~  
20 ~~\$26,071,800.00, \$25,421,900.00 for operations and \$649,900.00 for~~  
21 ~~performance funding.~~

22 ~~(m) The appropriation for University of Michigan - Flint is~~  
23 ~~\$23,585,400.00, \$23,061,800.00 for operations and \$523,600.00 for~~  
24 ~~performance funding.~~

25 ~~(n) The appropriation for Wayne State University is~~  
26 ~~\$202,363,200.00, \$199,169,800.00 for operations and \$3,193,400.00~~  
27 ~~for performance funding.~~

28 ~~(o) The appropriation for Western Michigan University is~~  
29 ~~\$111,151,000.00, \$109,376,800.00 for operations and \$1,774,200.00~~



1 ~~for performance funding.~~

2 ~~(3) The amount appropriated in subsection (2) for public~~  
 3 ~~universities is appropriated from the following:~~

4 ~~(a) State school aid fund, \$494,286,300.00.~~

5 ~~(b) State general fund/general purpose money,~~  
 6 ~~\$1,027,054,600.00.~~

7 ~~(4) The amount appropriated for Michigan public school~~  
 8 ~~employees' retirement system reimbursement is \$5,133,000.00,~~  
 9 ~~appropriated from the state school aid fund.~~

10 ~~(5) The amount appropriated for state and regional programs is~~  
 11 ~~\$315,000.00, appropriated from general fund/general purpose money~~  
 12 ~~and allocated as follows:~~

13 ~~(a) Higher education database modernization and conversion,~~  
 14 ~~\$200,000.00.~~

15 ~~(b) Midwestern Higher Education Compact, \$115,000.00.~~

16 ~~(6) The amount appropriated for the Martin Luther King, Jr. —~~  
 17 ~~Cesar Chavez — Rosa Parks program is \$2,691,500.00, appropriated~~  
 18 ~~from general fund/general purpose money and allocated as follows:~~

19 ~~(a) Select student support services, \$1,956,100.00.~~

20 ~~(b) Michigan college/university partnership program,~~  
 21 ~~\$586,800.00.~~

22 ~~(c) Morris Hood, Jr. educator development program,~~  
 23 ~~\$148,600.00.~~

24 ~~(7) Subject to subsection (8), the amount appropriated for~~  
 25 ~~grants and financial aid is \$139,583,200.00, allocated as follows:~~

26 ~~(a) State competitive scholarships, \$32,361,700.00.~~

27 ~~(b) Tuition grants, \$38,021,500.00.~~

28 ~~(c) Tuition incentive program, \$64,300,000.00.~~

29 ~~(d) Children of veterans and officer's survivor tuition grant~~



1 ~~programs, \$1,400,000.00.~~

2 ~~(e) Project GEAR-UP, \$3,200,000.00.~~

3 ~~(f) North American Indian tuition waiver, \$300,000.00.~~

4 ~~(8) The money appropriated in subsection (7) for grants and~~  
 5 ~~financial aid is appropriated from the following:~~

6 ~~(a) Federal revenues under the United States Department of~~  
 7 ~~Education, Office of Elementary and Secondary Education, GEAR-UP~~  
 8 ~~program, \$3,200,000.00.~~

9 ~~(b) Federal revenues under the social security act, temporary~~  
 10 ~~assistance for needy families, \$120,326,400.00.~~

11 ~~(c) Contributions to children of veterans tuition grant~~  
 12 ~~program, \$100,000.00.~~

13 ~~(d) State general fund/general purpose money, \$15,956,800.00.~~

14 ~~(9) For fiscal year 2018-2019 only, in addition to the~~  
 15 ~~allocation under subsection (4), from the appropriations described~~  
 16 ~~in subsection (1), there is allocated an amount not to exceed~~  
 17 ~~\$669,000.00 for payments to participating public universities,~~  
 18 ~~appropriated from the state school aid fund. A university that~~  
 19 ~~receives money under this subsection shall use that money solely~~  
 20 ~~for the purpose of offsetting the normal cost contribution rate. As~~  
 21 ~~used in this subsection, "participating public universities" means~~  
 22 ~~public universities that are a reporting unit of the Michigan~~  
 23 ~~public school employees' retirement system under the public school~~  
 24 ~~employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to~~  
 25 ~~38.1437, and that pay contributions to the Michigan public school~~  
 26 ~~employees' retirement system for the state fiscal year.~~

