



**House  
Legislative  
Analysis  
Section**

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**SCHOOL BUDGET HEARING**

**House Bill 4032 (Substitute H-1)  
First Analysis (2-8-95)**

**Sponsor: Rep. James Agee  
Committee: Education**

***THE APPARENT PROBLEM:***

School districts are required to hold a hearing on their proposed budgets before July 1 (the new fiscal year). However, sometimes the state school aid bill that will help districts establish the budget is not enacted by that date. Holding a public hearing on a budget assembled based on incomplete information, some people say, only serves to confuse the public and press when the budget must later be revised based on new information. It has been recommended that the required public hearing be held once the school aid bill has been enacted, if that is after July 1.

to public confusion. A district would have to adopt a tentative budget by July 1 in any case, although it would not have to hold a public hearing on the tentative budget.

***POSITIONS:***

There are no positions at present.

***THE CONTENT OF THE BILL:***

The bill would amend the Uniform Budgeting and Accounting Act to specify that a local or intermediate school district's required public hearing on its budget be conducted before July 1 or within 30 days after the annual state school aid appropriations bill was enacted into law, whichever was later. The bill would provide, however, that if the appropriations bill was not enacted before the board's last regularly scheduled meeting to be held before July 1, the board would have to adopt a tentative annual budget by July 1 for the ensuing fiscal year based on the budget information in its possession.

MCL 141.434

***FISCAL IMPLICATIONS:***

According to the Department of Education, the bill has no fiscal implications. (2-6-95)

***ARGUMENTS:***

***For:***

The bill would permit the delay of the required public hearing on a school district budget until after the state school aid bill had been enacted. Otherwise, the use of incomplete information leads

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