



SENATE BILL No. 325

February 23, 1995, Introduced by Senator GAST 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,"

as amended by Act No. 283 of the Public Acts of 1994, 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, as amended by Act No. 283 of the Public Acts of
3 1994, being sections 388.1611 and 388.1617b of the Michigan
4 Compiled Laws, are amended to read as follows:

5 Sec. 11. (1) There is appropriated for the public schools
6 of this state and certain other state purposes relating to educa-
7 tion from the state school aid fund established by section 11 of
8 article IX of the state constitution of 1963 the sum of
9 ~~\$7,396,151,800.00~~ \$ _____, and from the general fund

1 the sum of ~~-\$439,414,900.00~~ \$ _____, for the fiscal
 2 year ending September 30, ~~-1995-~~ 1996. In addition, available
 3 federal funds and ~~-\$139,500,000.00~~ \$ _____ from the
 4 reserve for health benefits are appropriated.

5 (2) The appropriations under this section shall be allocated
 6 as provided in this act. If the maximum amount appropriated
 7 under this section from the state school aid fund for a fiscal
 8 year exceeds the amount necessary to fully fund allocations under
 9 this act from the state school aid fund, that excess amount shall
 10 not be expended in that state fiscal year and shall not lapse to
 11 the general fund, but instead shall remain in a separate account
 12 in the state school aid fund to be used to augment funding under
 13 this act in a succeeding fiscal year in which the maximum amount
 14 appropriated under this section is not sufficient to fully fund
 15 allocations under this act from the state school aid fund.

16 (3) In addition to the appropriations under subsection (1),
 17 for the fiscal year ending September 30, ~~-1995-~~ 1996 there is
 18 appropriated from the general fund to the state school aid fund
 19 the amount necessary to reimburse the state school aid fund for
 20 the loss in state school aid fund revenue for ~~-1994-95-~~ 1995-96
 21 resulting from Act No. 3 of the Public Acts of 1994, as deter-
 22 mined by the department of management and budget. The estimated
 23 amount of the appropriation under this subsection is
 24 ~~-\$228,500,000.00~~ \$ _____.

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 and June 20, the department shall prepare a statement of the

1 amount to be distributed under this act in the installment to the
2 districts and intermediate districts and deliver the statement to
3 the state treasurer, and the state treasurer shall pay the
4 installments on each of those dates or on the next business day
5 following each of those dates. Except as otherwise provided in
6 this act, the portion of the district's or intermediate
7 district's state fiscal year entitlement to be included in each
8 installment shall be $1/9$. ~~However, the payments due to a dis-~~
9 ~~trict in 1994-95 on April 20, May 20, and June 20 pursuant to~~
10 ~~this section each shall be reduced by an amount equal to $1/3$ of~~
11 ~~the district's total additional payments in 1993-94 under section~~
12 ~~11a(6), and the payments due to an intermediate district in~~
13 ~~1994-95 on April 20, May 20, and June 20 pursuant to this section~~
14 ~~each shall be reduced by an amount equal to $1/3$ of the intermedi-~~
15 ~~ate district's total additional payments in 1993-94 under section~~
16 ~~11a(7).~~

17 (2) The state treasurer shall make payment under this sec-
18 tion by drawing a warrant in favor of the treasurer of each dis-
19 trict or intermediate district for the amount payable to the dis-
20 trict or intermediate district according to the statement and
21 delivering the warrant to the treasurer of each district or
22 intermediate district, or if the state treasurer receives a writ-
23 ten request by the treasurer of the district or intermediate dis-
24 trict specifying an account, by electronic funds transfer to that
25 account of the amount payable to the district or intermediate
26 district according to the statement. The department may make
27 adjustments in payments made under this section through

1 additional payments when changes in law or errors in computation
2 cause the regularly scheduled payment to be less than the amount
3 to which the district or intermediate district is entitled pursu-
4 ant to this act.

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

7 (4) Upon the written request of a district or intermediate
8 district operating under an approved deficit reduction plan under
9 section 102 and the submission of proof satisfactory to the
10 department of a need of a temporary and nonrecurring nature, the
11 superintendent, with the written concurrence of the state trea-
12 surer and the director of management and budget, may authorize an
13 advance release of funds due a district or intermediate district
14 under this act. Such an advance shall not cause funds to be paid
15 to a district or intermediate district more than 30 days earlier
16 than the established payment date for those funds.