

HOUSE BILL No. 4546

April 21, 1999, Introduced by Reps. Garcia, Sanborn, Mortimer, Richner, Vander Roest, Hart, Shackleton, Bishop, Bradstreet, DeRossett, Rick Johnson, Jacobs, DeHart, Bovin and Raczkowski and referred to the Committee on Education.

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
(MCL 18.1101 to 18.1594) by adding section 353f.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 353F. (1) NOTWITHSTANDING SECTION 353, IF THE STATE
2 BUDGET DIRECTOR DETERMINES THAT THE APPROPRIATION OF MONEY FOR
3 STATE AID TO SCHOOL DISTRICTS WILL NOT BE RECEIVED BY SCHOOL DIS-
4 TRICTS IN TIME FOR SCHOOL DISTRICTS TO HAVE FUNDS ON HAND TO
5 BEGIN A PARTICULAR SCHOOL YEAR, MONEY MAY BE APPROPRIATED FROM
6 THE FUND FOR SHORT-TERM LOANS TO SCHOOL DISTRICTS.

7 (2) LOANS MADE TO SCHOOL DISTRICTS UNDER THIS SECTION SHALL
8 BE SECURED BY A PLEDGE OF STATE SCHOOL AID THE SCHOOL DISTRICT
9 WILL RECEIVE DURING THE SCHOOL YEAR. THE LOANS SHALL BE MADE ON
10 TERMS AND CONDITIONS AS PRESCRIBED BY THE STATE BUDGET DIRECTOR
11 AND ACCORDING TO PROCEDURES PRESCRIBED BY THE STATE BUDGET

1 DIRECTOR. ALL OF THE FOLLOWING APPLY TO LOANS MADE TO SCHOOL
2 DISTRICTS UNDER THIS SECTION:

3 (A) THE TOTAL STATEWIDE AMOUNT OF ALL LOANS MADE UNDER THIS
4 SECTION FOR ANY PARTICULAR SCHOOL YEAR SHALL NOT EXCEED AN AMOUNT
5 EQUAL TO 10% OF THE BALANCE IN THE FUND.

6 (B) THE AMOUNT OF A LOAN TO A SCHOOL DISTRICT SHALL NOT
7 EXCEED THE LESSER OF \$100,000.00 OR THE AMOUNT THE STATE BUDGET
8 DIRECTOR DETERMINES THE SCHOOL DISTRICT NEEDS TO BEGIN THE SCHOOL
9 YEAR.

10 (C) AN INDIVIDUAL SCHOOL DISTRICT MAY NOT BORROW MONEY UNDER
11 THIS SECTION MORE OFTEN THAN 3 TIMES IN A 5-YEAR PERIOD.

12 (3) AS USED IN THIS SECTION, "SCHOOL DISTRICT" MEANS A
13 SCHOOL DISTRICT, LOCAL ACT SCHOOL DISTRICT, PUBLIC SCHOOL ACADE-
14 MY, OR INTERMEDIATE SCHOOL DISTRICT ORGANIZED AND OPERATING UNDER
15 THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1 TO 380.1852.