

# SENATE BILL No. 1018

February 16, 2000, Introduced by Senator GAST and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 11 and 17b (MCL 388.1611 and 388.1617b), as amended by 1999 PA 119.

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

1       Sec. 11. (1) ~~For the fiscal year ending September 30,~~  
2 ~~1999, there is appropriated for the public schools of this state~~  
3 ~~and certain other state purposes relating to education the sum of~~  
4 ~~\$9,049,591,100.00 from the state school aid fund established by~~  
5 ~~section 11 of article IX of the state constitution of 1963 and~~  
6 ~~the sum of \$420,613,500.00 from the general fund.~~ For the fiscal  
7 year ending September 30, 2000, there is appropriated for the  
8 public schools of this state and certain other state purposes  
9 relating to education the sum of ~~-\$9,590,537,700.00~~ \$\_\_\_\_\_

10 from the state school aid fund established by section 11 of

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1 article IX of the state constitution of 1963 and the sum of  
2 ~~\$420,613,500.00~~ \$\_\_\_\_\_ from the general fund. For the  
3 fiscal year ending September 30, 2001, there is appropriated for  
4 the public schools of this state and certain other state purposes  
5 relating to education the sum of ~~\$10,033,634,700.00~~ \$\_\_\_\_\_  
6 from the state school aid fund established by section 11 of arti-  
7 cle IX of the state constitution of 1963 and the sum of  
8 ~~\$420,613,500.00~~ \$\_\_\_\_\_ from the general fund. In addi-  
9 tion, available federal funds are appropriated for 1998-99, for  
10 1999-2000, and for 2000-2001.

11 (2) The appropriations under this section shall be allocated  
12 as provided in this act. Money appropriated under this section  
13 from the general fund and from available federal funds shall be  
14 expended to fund the purposes of this act before the expenditure  
15 of money appropriated under this section from the state school  
16 aid fund. If the maximum amount appropriated under this section  
17 from the state school aid fund for a fiscal year exceeds the  
18 amount necessary to fully fund allocations under this act from  
19 the state school aid fund, that excess amount shall not be  
20 expended in that state fiscal year and shall not lapse to the  
21 general fund, but instead shall remain in the state school aid  
22 fund.

23 (3) If the maximum amount appropriated under this section  
24 and sections 11f and 11g from the state school aid fund for a  
25 fiscal year exceeds the amount available for expenditure from the  
26 state school aid fund for that fiscal year, payments under  
27 sections 11f, 11g, and 51a(2) shall be made in full and payments

1 under each of the other sections of this act shall be prorated on  
2 an equal percentage basis as necessary to reflect the amount  
3 available for expenditure from the state school aid fund for that  
4 fiscal year. However, if the department of treasury determines  
5 that proration will be required under this subsection, the  
6 department of treasury shall notify the state budget director,  
7 and the state budget director shall notify the legislature at  
8 least 30 calendar days or 6 legislative session days, whichever  
9 is more, before the department reduces any payments under this  
10 act because of the proration. During the 30 calendar day or 6  
11 legislative session day period after that notification by the  
12 state budget director, the department shall not reduce any pay-  
13 ments under this act because of proration under this subsection.  
14 The legislature may prevent proration from occurring by, within  
15 the 30 calendar day or 6 legislative session day period after  
16 that notification by the state budget director, enacting legisla-  
17 tion appropriating additional funds from the general fund,  
18 countercyclical budget and economic stabilization fund, state  
19 school aid fund balance, or another source to fund the amount of  
20 the projected shortfall.

21       Sec. 17b. (1) Not later than October 20, November 20,  
22 December 20, January 20, February 20, March 20, April 20, May 20,  
23 June 20, July 20, and August 20, the department shall prepare a  
24 statement of the amount to be distributed under this act in the  
25 installment to the districts and intermediate districts and  
26 deliver the statement to the state treasurer, and the state  
27 treasurer shall pay the installments on each of those dates or on

1 the next business day following each of those dates. Except as  
2 otherwise provided in this act, the portion of the district's or  
3 intermediate district's state fiscal year entitlement to be  
4 included in each installment shall be 1/11. A district or inter-  
5 mediate district shall accrue the payments received in July and  
6 August to the school fiscal year ending the immediately preceding  
7 June 30.

8 (2) The state treasurer shall make payment under this sec-  
9 tion by drawing a warrant in favor of the treasurer of each dis-  
10 trict or intermediate district for the amount payable to the dis-  
11 trict or intermediate district according to the statement and  
12 delivering the warrant to the treasurer of each district or  
13 intermediate district, or if the state treasurer receives a writ-  
14 ten request by the treasurer of the district or intermediate dis-  
15 trict specifying an account, by electronic funds transfer to that  
16 account of the amount payable to the district or intermediate  
17 district according to the statement. The department may make  
18 adjustments in payments made under this section through addi-  
19 tional payments when changes in law or errors in computation  
20 cause the regularly scheduled payment to be less than the amount  
21 to which the district or intermediate district is entitled pursu-  
22 ant to this act.

23 (3) Except as otherwise ~~specified~~ PROVIDED in this act,  
24 grant payments under this act shall be paid according to  
25 subsection (1).

26 (4) Upon the written request of a district or intermediate  
27 district and the submission of proof satisfactory to the

1 department of a need of a temporary and nonrecurring nature, the  
2 superintendent, with the written concurrence of the state trea-  
3 surer and the state budget director, may authorize an advance  
4 release of funds due a district or intermediate district under  
5 this act. ~~Such an~~ AN advance AUTHORIZED UNDER THIS SUBSECTION  
6 shall not cause funds to be paid to a district or intermediate  
7 district more than 30 days earlier than the established payment  
8 date for those funds.