

HOUSE BILL No. 6087

December 12, 2012, Introduced by Rep. Brown and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
(MCL 388.1601 to 388.1896) by adding section 11/.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 11/. (1) IN ADDITION TO THE APPROPRIATIONS IN SECTION 11,
2 THERE IS APPROPRIATED FROM THE GENERAL FUND AN AMOUNT NOT TO EXCEED
3 \$45,000,000.00 FOR 2011-2012 FOR PAYMENTS TO ELIGIBLE DISTRICTS AND
4 INTERMEDIATE DISTRICTS TO REIMBURSE THEM FOR THE COSTS OF BORROWING
5 FOR CASH-FLOW PURPOSES DUE TO THE LAG BETWEEN THE END OF THE SCHOOL
6 FISCAL YEAR AND THE BEGINNING OF THE STATE FISCAL YEAR.

7 (2) TO BE ELIGIBLE FOR REIMBURSEMENT UNDER THIS SECTION, A
8 DISTRICT OR INTERMEDIATE DISTRICT SHALL MEET ALL OF THE FOLLOWING:

9 (A) THE DISTRICT OR INTERMEDIATE DISTRICT BORROWED MONEY AND
10 ISSUED NOTES IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR UNDER
11 SECTION 1225 OF THE REVISED SCHOOL CODE, MCL 380.1225, AND THOSE

1 NOTES WERE PURCHASED BY THE MICHIGAN FINANCE AUTHORITY.

2 (B) THE AMOUNT OF THE GENERAL OPERATING FUND BALANCE
3 MAINTAINED BY THE DISTRICT OR INTERMEDIATE DISTRICT AS OF THE END
4 OF THE SCHOOL FISCAL YEAR ENDING IN THE IMMEDIATELY PRECEDING STATE
5 FISCAL YEAR DID NOT EXCEED 18% OF THE DISTRICT'S OR INTERMEDIATE
6 DISTRICT'S GENERAL OPERATING BUDGET FOR THAT SCHOOL FISCAL YEAR.

7 (3) THE AMOUNT OF THE PAYMENT TO A DISTRICT OR INTERMEDIATE
8 DISTRICT UNDER THIS SECTION IS AN AMOUNT EQUAL TO THE TOTAL AMOUNT
9 OF INTEREST FOR WHICH THE DISTRICT OR INTERMEDIATE DISTRICT IS
10 LIABLE UNDER THE NOTES DESCRIBED IN SUBSECTION (2) (A) .

11 (4) NOTWITHSTANDING SECTION 296 OR ANY OTHER PROVISION OF THIS
12 ACT, FUNDS ALLOCATED UNDER THIS SECTION ARE NOT SUBJECT TO
13 PRORATION AND SHALL BE PAID IN FULL.

14 (5) NOTWITHSTANDING SECTION 17B, PAYMENTS UNDER THIS SECTION
15 SHALL BE PAID IN FULL IN THE DECEMBER INSTALLMENT PAYMENT UNDER
16 THAT SECTION.