

HOUSE BILL No. 4739

May 15, 2013, Introduced by Rep. Oakes and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending section 11 (MCL 388.1611), as amended by 2012 PA 465,
and by adding section 22o.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) Subject to subsection (3), for the fiscal year
2 ending September 30, 2013, there is appropriated for the public
3 schools of this state and certain other state purposes relating to
4 education the sum of ~~\$10,961,245,600.00~~ **\$10,961,845,600.00** from the
5 state school aid fund and the sum of \$282,400,000.00 from the
6 general fund. In addition, all other available federal funds,
7 except those otherwise appropriated under section 11p, are
8 appropriated for the fiscal year ending September 30, 2013.

9 (2) The appropriations under this section shall be allocated

1 as provided in this article. Money appropriated under this section
2 from the general fund shall be expended to fund the purposes of
3 this article before the expenditure of money appropriated under
4 this section from the state school aid fund.

5 (3) Any general fund allocations under this article that are
6 not expended by the end of the state fiscal year are transferred to
7 the school aid stabilization fund created under section 11a.

8 SEC. 220. (1) FROM THE MONEY APPROPRIATED UNDER SECTION 11,
9 THERE IS ALLOCATED FOR 2012-2013 AN AMOUNT NOT TO EXCEED
10 \$600,000.00 FOR PAYMENTS TO INTERMEDIATE DISTRICTS UNDER THIS
11 SECTION TO ENSURE COMPLETION OF THE SCHOOL YEAR FOR QUALIFYING
12 DISTRICTS. AN INTERMEDIATE DISTRICT IS ELIGIBLE FOR A PAYMENT UNDER
13 THIS SECTION IF THE INTERMEDIATE DISTRICT HAS A CONSTITUENT
14 DISTRICT THAT IS A QUALIFYING DISTRICT AND AGREES TO ACCEPT FUNDS
15 ON BEHALF OF THE QUALIFYING DISTRICT, TO FORWARD THOSE FUNDS TO THE
16 QUALIFYING DISTRICT, AND TO SUPERVISE THE QUALIFYING DISTRICT'S USE
17 OF THOSE FUNDS AS DESCRIBED IN SUBSECTION (2).

18 (2) AN INTERMEDIATE DISTRICT RECEIVING FUNDS UNDER THIS
19 SECTION SHALL USE THOSE FUNDS ONLY FOR FORWARDING TO A QUALIFYING
20 DISTRICT FOR MAKING PAYMENTS FOR THE PERSONNEL OF THE QUALIFYING
21 DISTRICT AND OTHER OPERATIONAL COSTS AS NECESSARY FOR THE EDUCATION
22 OF PUPILS OF THE QUALIFYING DISTRICT FOR THE REMAINDER OF THE
23 SCHOOL YEAR ENDING IN THE CURRENT FISCAL YEAR. THE INTERMEDIATE
24 DISTRICT SHALL SUPERVISE THE EXPENDITURES OF THE FUNDS TO ENSURE
25 THAT THEY ARE USED ONLY FOR THESE PURPOSES. A QUALIFYING DISTRICT
26 SHALL ALLOW THE INTERMEDIATE DISTRICT TO HAVE ACCESS TO ITS RECORDS
27 FOR THIS SUPERVISION. IF THE INTERMEDIATE DISTRICT DETERMINES THAT

1 THE QUALIFYING DISTRICT IS USING THESE FUNDS FOR ANY OTHER PURPOSE
2 OR THAT THE DISTRICT HAS FAILED TO PROVIDE AT LEAST THE MINIMUM
3 NUMBER OF HOURS AND DAYS OF PUPIL INSTRUCTION FOR THE SCHOOL YEAR
4 AS REQUIRED UNDER SECTION 101, THE INTERMEDIATE DISTRICT PROMPTLY
5 SHALL NOTIFY THE DEPARTMENT.

6 (3) PAYMENTS THAT ARE RECEIVED BY AN INTERMEDIATE DISTRICT AND
7 FORWARDED TO A QUALIFYING DISTRICT UNDER THIS SECTION SHALL BE
8 RECOVERED BY THE DEPARTMENT BY DEDUCTING THE AMOUNT RECEIVED BY THE
9 DISTRICT FROM THE DISTRICT'S PAYMENTS UNDER THIS ACT OVER THE NEXT
10 5 STATE FISCAL YEARS AFTER THE FISCAL YEAR IN WHICH THE MONEY IS
11 RECEIVED.

12 (4) THE AMOUNT OF THE PAYMENT TO AN INTERMEDIATE DISTRICT
13 UNDER THIS SECTION SHALL BE AN AMOUNT EQUAL TO THE TOTAL AMOUNT
14 ALLOCATED UNDER THIS SECTION DIVIDED BY THE NUMBER OF QUALIFYING
15 DISTRICTS STATEWIDE FOR THE FISCAL YEAR IN WHICH THE PAYMENTS ARE
16 MADE.

17 (5) NOTWITHSTANDING SECTION 17B, THE MONEY ALLOCATED UNDER
18 THIS SECTION TO AN ELIGIBLE INTERMEDIATE DISTRICT SHALL BE PAID IN
19 A LUMP SUM NOT LATER THAN 3 BUSINESS DAYS AFTER THE EFFECTIVE DATE
20 OF THIS SECTION.

21 (6) AS USED IN THIS SECTION, "QUALIFYING DISTRICT" MEANS A
22 DISTRICT THAT MEETS ALL OF THE FOLLOWING:

23 (A) WILL NOT RECEIVE ANY ADDITIONAL STATE SCHOOL AID PAYMENTS
24 UNDER THIS ACT AFTER THE APRIL INSTALLMENT PAYMENT FOR THE CURRENT
25 FISCAL YEAR DUE TO NEGATIVE ADJUSTMENTS MADE UNDER THIS ACT.

26 (B) HAS HAD AN OPERATING DEFICIT FOR THE 3 CONSECUTIVE FISCAL
27 YEARS INCLUDING THE CURRENT FISCAL YEAR, BUT NOT FOR A PERIOD

1 LONGER THAN THAT 3-FISCAL-YEAR PERIOD.

2 (C) HAS A FOUNDATION ALLOWANCE FOR THE CURRENT FISCAL YEAR, AS
3 CALCULATED UNDER SECTION 20, GREATER THAN \$7,500.00.

4 (D) THE PERCENTAGE OF PUPILS IN MEMBERSHIP IN THE DISTRICT WHO
5 MET THE INCOME ELIGIBILITY CRITERIA FOR FREE BREAKFAST, LUNCH, OR
6 MILK IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, AS CALCULATED
7 AND REPORTED IN THE MANNER PRESCRIBED UNDER SECTION 31A, WAS
8 GREATER THAN 85%.

9 Enacting section 1. In accordance with section 30 of article I
10 of the state constitution of 1963, under article I of the state
11 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896, as
12 amended by this amendatory act, by 2012 PA 465, and by 2012 PA 201,
13 total state spending on school aid from state sources for fiscal
14 year 2012-2013 is estimated at \$11,244,245,600.00 and state
15 appropriations for school aid to be paid to local units of
16 government for fiscal year 2012-2013 are estimated at
17 \$10,935,749,700.00.