

SENATE BILL No. 778

February 11, 2014, Introduced by Senator KAHN 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, 17b, 201, and 236 (MCL 388.1611,
388.1617b, 388.1801, and 388.1836), section 11 as amended by 2013
PA 97, section 17b as amended by 2007 PA 137, and sections 201 and
236 as amended by 2013 PA 60.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) ~~For the fiscal year ending September 30, 2013,~~
2 ~~there is appropriated for the public schools of this state and~~
3 ~~certain other state purposes relating to education the sum of~~
4 ~~\$10,928,614,200.00 from the state school aid fund and the sum of~~
5 ~~\$282,400,000.00 from the general fund. For the fiscal year ending~~

1 September 30, ~~2014,~~ **2015**, there is appropriated for the public
 2 schools of this state and certain other state purposes relating to
 3 education the sum of ~~\$11,211,382,300.00~~ \$_____ from the
 4 state school aid fund, the sum of ~~\$156,000,000.00~~ \$_____ from the
 5 MPERS retirement obligation reform reserve fund created
 6 under section 147b, and the sum of ~~\$234,900,000.00~~ \$_____ from the
 7 general fund. In addition, all other available federal
 8 funds, except those otherwise appropriated under section 11p, are
 9 appropriated ~~for the fiscal year ending September 30, 2013 and for~~
 10 the fiscal year ending September 30, ~~2014.~~ **2015**.

11 (2) The appropriations under this section shall be allocated
 12 as provided in this article. Money appropriated under this section
 13 from the general fund shall be expended to fund the purposes of
 14 this article before the expenditure of money appropriated under
 15 this section from the state school aid fund.

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

19 Sec. 17b. (1) Not later than October 20, November 20, December
 20 20, January 20, February 20, March 20, April 20, May 20, June 20,
 21 July 20, and August 20, the department shall prepare electronic
 22 files of the amount to be distributed under this act in the
 23 installment to the districts and intermediate districts and deliver
 24 the electronic files to the state treasurer, and the state
 25 treasurer shall pay the installments on each of those dates or, if
 26 the date is not a business day, on the next business day following
 27 that date. Except as otherwise provided in this act, the portion of

1 the district's or intermediate district's state fiscal year
2 entitlement to be included in each installment shall be 1/11. A
3 district or intermediate district shall accrue the payments
4 received in July and August to the school fiscal year ending the
5 immediately preceding June 30.

6 (2) The state treasurer shall make payment under this section
7 by drawing a warrant in favor of the treasurer of each district or
8 intermediate district for the amount payable to the district or
9 intermediate district according to the electronic files and
10 delivering the warrant to the treasurer of each district or
11 intermediate district, or if the state treasurer receives a written
12 request by the treasurer of the district or intermediate district
13 specifying an account, by electronic funds transfer to that account
14 of the amount payable to the district or intermediate district
15 according to the electronic files. The department may make
16 adjustments in payments made under this section through additional
17 payments when changes in law or errors in computation cause the
18 regularly scheduled payment to be less than the amount to which the
19 district or intermediate district is entitled pursuant to this act.

20 (3) Except as otherwise provided in this act, grant payments
21 to districts and intermediate districts under this act shall be
22 paid according to the installment **PAYMENT** schedule under subsection
23 (1).

24 (4) Upon the written request of a district or intermediate
25 district and the submission of proof satisfactory to the department
26 of a need of a temporary and nonrecurring nature, the
27 superintendent, with the written concurrence of the state treasurer

1 and the state budget director, may authorize an advance release of
 2 funds due a district or intermediate district under this act. An
 3 advance authorized under this subsection shall not cause funds to
 4 be paid to a district or intermediate district more than 30 days
 5 earlier than the established payment date for those funds.

6 Sec. 201. (1) Subject to the conditions set forth in this
 7 article, the amounts listed in subsections (2), (4), (5), (6), and
 8 (7) are appropriated for community colleges for the fiscal year
 9 ending September 30, ~~2014, 2015~~, from the funds indicated in this
 10 section. The following is a summary of the appropriations in
 11 ~~subsections (2), (4), (5), (6), and (7):~~ **THIS SECTION:**

12 (a) The gross appropriation is ~~\$335,977,600.00~~.
 13 \$_____. After deducting total interdepartmental grants
 14 and intradepartmental transfers in the amount of \$0.00, the
 15 adjusted gross appropriation is ~~\$335,977,600.00~~-\$_____.

16 (b) The sources of the adjusted gross appropriation described
 17 in subdivision (a) are as follows:

18 (i) Total federal revenues, \$0.00.

19 (ii) Total local revenues, \$0.00.

20 (iii) Total private revenues, \$0.00.

21 (iv) Total other state restricted revenues,

22 ~~\$197,614,100.00~~-\$_____.

23 (v) State general fund/general purpose money,

24 ~~\$138,363,500.00~~-\$_____.

25 (2) Subject to subsection (3), the amount appropriated for
 26 community college operations is \$_____. ~~\$298,244,000.00~~,
 27 ~~allocated as follows:~~

- 1 ~~—— (a) Alpena Community College, \$5,221,100.00.~~
- 2 ~~—— (b) Bay de Noc Community College, \$5,263,800.00.~~
- 3 ~~—— (c) Delta College, \$14,022,200.00.~~
- 4 ~~—— (d) Glen Oaks Community College, \$2,434,300.00.~~
- 5 ~~—— (e) Gogebic Community College, \$4,317,500.00.~~
- 6 ~~—— (f) Grand Rapids Community College, \$17,403,500.00.~~
- 7 ~~—— (g) Henry Ford Community College, \$20,997,900.00.~~
- 8 ~~—— (h) Jackson Community College, \$11,723,600.00.~~
- 9 ~~—— (i) Kalamazoo Valley Community College, \$12,086,900.00.~~
- 10 ~~—— (j) Kellogg Community College, \$9,494,000.00.~~
- 11 ~~—— (k) Kirtland Community College, \$3,046,800.00.~~
- 12 ~~—— (l) Lake Michigan College, \$5,162,900.00.~~
- 13 ~~—— (m) Lansing Community College, \$29,935,300.00.~~
- 14 ~~—— (n) Macomb Community College, \$31,837,200.00.~~
- 15 ~~—— (o) Mid Michigan Community College, \$4,504,700.00.~~
- 16 ~~—— (p) Monroe County Community College, \$4,329,900.00.~~
- 17 ~~—— (q) Montcalm Community College, \$3,112,000.00.~~
- 18 ~~—— (r) C.S. Mott Community College, \$15,202,200.00.~~
- 19 ~~—— (s) Muskegon Community College, \$8,628,000.00.~~
- 20 ~~—— (t) North Central Michigan College, \$3,055,400.00.~~
- 21 ~~—— (u) Northwestern Michigan College, \$8,799,300.00.~~
- 22 ~~—— (v) Oakland Community College, \$20,422,900.00.~~
- 23 ~~—— (w) St. Clair County Community College, \$6,839,900.00.~~
- 24 ~~—— (x) Schoolcraft College, \$12,076,700.00.~~
- 25 ~~—— (y) Southwestern Michigan College, \$6,385,400.00.~~
- 26 ~~—— (z) Washtenaw Community College, \$12,573,900.00.~~
- 27 ~~—— (aa) Wayne County Community College, \$16,146,700.00.~~

1 ~~—— (bb) West Shore Community College, \$2,342,900.00.~~

2 ~~—— (cc) Local strategic value, \$877,100.00.~~

3 (3) The amount appropriated in subsection (2) for community
4 college operations is appropriated from the following:

5 (a) State school aid fund, ~~\$195,880,500.00.~~ \$_____.

6 (b) State general fund/general purpose money,
7 ~~\$102,363,500.00.~~ \$_____.

8 ~~—— (4) From the appropriations described in subsection (1), there~~
9 ~~is appropriated for fiscal year 2013-2014 an amount not to exceed~~
10 ~~\$1,733,600.00 for payments to community colleges from the state~~
11 ~~school aid fund. A community college that receives money under this~~
12 ~~subsection shall use that money solely for the purpose of~~
13 ~~offsetting a portion of the retirement contributions owed by the~~
14 ~~college for the fiscal year ending September 30, 2014. The amount~~
15 ~~allocated to each participating community college under this~~
16 ~~section shall be based on each participating college's total~~
17 ~~payroll covered by the retirement system covered payroll for all~~
18 ~~participating colleges for the immediately preceding state fiscal~~
19 ~~year.~~

20 ~~—— (5) From the appropriations described in subsection (1), there~~
21 ~~is appropriated an amount not to exceed \$31,400,000.00 from the~~
22 ~~state general fund for payments to community colleges that are~~
23 ~~participating entities of the retirement system. All of the~~
24 ~~following apply to the appropriations described in this subsection:~~

25 ~~—— (a) The amount of a payment under this subsection shall be the~~
26 ~~difference between the unfunded actuarial accrued liability~~
27 ~~contribution rate as calculated under section 41 of the public~~

~~1 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,
2 and the maximum employer rate of 20.96% under section 41 of the
3 public school employees retirement act of 1979, 1980 PA 300, MCL
4 38.1341.~~

~~5 (b) The amount allocated to each community college under this
6 subsection shall be based on each community college's percentage of
7 the total covered payroll for all community colleges that are
8 participating colleges in the immediately preceding fiscal year. A
9 community college that receives funds under this subsection shall
10 use the funds solely for the purpose of retirement contributions
11 under subdivision (c).~~

~~12 (c) Each participating college receiving funds under this
13 subsection shall forward an amount equal to the amount allocated
14 under subdivision (b) to the retirement system in a form and manner
15 determined by the retirement system.~~

~~16 (6) All of the following apply to community colleges described
17 in section 12(3) of the Michigan renaissance zone act, MCL
18 125.2692:~~

~~19 (a) From the appropriations described in subsection (1), the
20 following amount is appropriated for reimbursement to community
21 colleges under section 12(3) of the Michigan renaissance zone act,
22 MCL 125.2692:~~

~~23 (i) If the amount of tax revenue lost by community colleges as
24 a result of the exemption of property under the Michigan
25 renaissance zone act in fiscal year 2012-2013 is \$3,500,000.00 or
26 more, \$3,500,000.00 from the state general fund.~~

~~27 (ii) If the amount of tax revenue lost by community colleges as~~

1 ~~a result of the exemption of property under the Michigan~~
2 ~~renaissance zone act in fiscal year 2012-2013 is less than~~
3 ~~\$3,500,000.00, the actual amount of tax revenue lost by the~~
4 ~~community colleges.~~

5 ~~—— (b) The amount allocated to each community college under this~~
6 ~~subsection shall be based on that community college's proportion of~~
7 ~~total revenue lost by community colleges in fiscal year 2012-2013~~
8 ~~as a result of the exemption of property under the Michigan~~
9 ~~renaissance zone act.~~

10 ~~—— (c) The appropriations described in this subsection shall be~~
11 ~~made to each eligible community college within 60 days after the~~
12 ~~department of treasury certifies to the state budget director that~~
13 ~~it has received all necessary information to properly determine the~~
14 ~~amounts of tax revenue lost by each eligible community college in~~
15 ~~fiscal year 2012-2013 under section 12 of the Michigan renaissance~~
16 ~~zone act, MCL 125.2692.~~

17 ~~—— (7) From the appropriations described in subsection (1), there~~
18 ~~is appropriated \$1,100,000.00 from the state general fund, for~~
19 ~~fiscal year 2013-2014 only, to the Michigan community college~~
20 ~~association, for the purpose of expanding the Michigan community~~
21 ~~college virtual learning collaborative. The Michigan community~~
22 ~~college association shall provide information on request to the~~
23 ~~house and senate subcommittees on community colleges, the house and~~
24 ~~senate fiscal agencies, and the state budget director on the use of~~
25 ~~these funds until the project is completed.~~

26 ~~—— (8) As used in this section:~~

27 ~~—— (a) "Michigan renaissance zone act" means the Michigan~~

1 ~~renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.~~

2 ~~—— (b) "Participating college" means a community college that is~~
 3 ~~a reporting unit of the retirement system and that reports~~
 4 ~~employees to the retirement system for the state fiscal year.~~

5 ~~—— (c) "Retirement board" means the board that administers the~~
 6 ~~retirement system under the public school employees retirement act~~
 7 ~~of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.~~

8 ~~—— (d) "Retirement system" means the Michigan public school~~
 9 ~~employees' retirement system under the public school employees~~
 10 ~~retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.~~

11 Sec. 236. ~~(1)~~ Subject to the conditions set forth in this
 12 article, the amounts listed in ~~subsections (2) to (6)~~ **THIS SECTION**
 13 are appropriated for higher education for the fiscal year ending
 14 September 30, ~~2014,~~ **2015**, from the funds indicated in this section.
 15 The following is a summary of the appropriations in ~~subsections (2)~~
 16 ~~to (6)~~: **THIS SECTION:**

17 (a) The gross appropriation is ~~\$1,430,573,500.00.~~
 18 \$_____. After deducting total interdepartmental grants
 19 and intradepartmental transfers in the amount of \$0.00, the
 20 adjusted gross appropriation is
 21 ~~\$1,430,573,500.00.~~ \$_____.

22 (b) The sources of the adjusted gross appropriation described
 23 in subdivision (a) are as follows:

24 (i) Total federal revenues, ~~\$97,026,400.00.~~ \$_____.

25 (ii) Total local revenues, \$0.00.

26 (iii) Total private revenues, \$0.00.

27 (iv) Total other state restricted revenues,

1 \$200,565,700.00-\$_____.

2 (v) State general fund/general purpose money,

3 \$1,132,981,400.00-\$_____.

4 ~~—— (2) Amounts appropriated for public universities are as~~
5 ~~follows:~~

6 ~~—— (a) The appropriation for Central Michigan University is~~
7 ~~\$73,486,600.00, \$71,352,300.00 for operations and \$2,134,300.00 for~~
8 ~~performance funding, appropriated from the following:~~

9 ~~—— (i) State school aid fund, \$11,284,600.00.~~

10 ~~—— (ii) State general fund/general purpose money, \$62,202,000.00.~~

11 ~~—— (b) The appropriation for Eastern Michigan University is~~
12 ~~\$67,255,600.00, \$66,466,700.00 for operations and \$788,900.00 for~~
13 ~~performance funding, appropriated from the following:~~

14 ~~—— (i) State school aid fund, \$10,706,400.00.~~

15 ~~—— (ii) State general fund/general purpose money, \$56,549,200.00.~~

16 ~~—— (c) The appropriation for Ferris State University is~~
17 ~~\$45,602,600.00, \$44,250,700.00 for operations and \$1,351,900.00 for~~
18 ~~performance funding, appropriated from the following:~~

19 ~~—— (i) State school aid fund, \$6,846,800.00.~~

20 ~~—— (ii) State general fund/general purpose money, \$38,755,800.00.~~

21 ~~—— (d) The appropriation for Grand Valley State University is~~
22 ~~\$57,765,100.00, \$55,436,000.00 for operations and \$2,329,100.00 for~~
23 ~~performance funding, appropriated from the following:~~

24 ~~—— (i) State school aid fund, \$8,727,800.00.~~

25 ~~—— (ii) State general fund/general purpose money, \$49,037,300.00.~~

26 ~~—— (e) The appropriation for Lake Superior State University is~~
27 ~~\$12,226,500.00, \$12,046,100.00 for operations and \$180,400.00 for~~

1 ~~performance funding, appropriated from the following:~~
2 ~~—— (i) State school aid fund, \$1,787,600.00.~~
3 ~~—— (ii) State general fund/general purpose money, \$10,438,900.00.~~
4 ~~—— (f) The appropriation for Michigan State University is~~
5 ~~\$305,775,000.00, \$245,037,000.00 for operations, \$4,449,300.00 for~~
6 ~~performance funding, \$30,243,900.00 for MSU AgBioResearch, and~~
7 ~~\$26,044,800.00 for MSU extension, appropriated from the following:~~
8 ~~—— (i) State school aid fund, \$39,949,900.00.~~
9 ~~—— (ii) State general fund/general purpose money, \$265,825,100.00.~~
10 ~~—— (g) The appropriation for Michigan Technological University is~~
11 ~~\$43,451,900.00, \$42,579,100.00 for operations and \$872,800.00 for~~
12 ~~performance funding, appropriated from the following:~~
13 ~~—— (i) State school aid fund, \$6,748,900.00.~~
14 ~~—— (ii) State general fund/general purpose money, \$36,703,000.00.~~
15 ~~—— (h) The appropriation for Northern Michigan University is~~
16 ~~\$41,719,800.00, \$40,856,600.00 for operations and \$863,200.00 for~~
17 ~~performance funding, appropriated from the following:~~
18 ~~—— (i) State school aid fund, \$6,356,900.00.~~
19 ~~—— (ii) State general fund/general purpose money, \$35,362,900.00.~~
20 ~~—— (i) The appropriation for Oakland University is~~
21 ~~\$45,634,800.00, \$44,964,100.00 for operations and \$670,700.00 for~~
22 ~~performance funding, appropriated from the following:~~
23 ~~—— (i) State school aid fund, \$7,148,400.00.~~
24 ~~—— (ii) State general fund/general purpose money, \$38,486,400.00.~~
25 ~~—— (j) The appropriation for Saginaw Valley State University is~~
26 ~~\$25,982,800.00, \$25,656,700.00 for operations and \$326,100.00 for~~
27 ~~performance funding, appropriated from the following:~~

1 ~~—— (i) State school aid fund, \$3,903,800.00.~~

2 ~~—— (ii) State general fund/general purpose money, \$22,079,000.00.~~

3 ~~—— (k) The appropriation for University of Michigan — Ann Arbor~~

4 ~~is \$279,108,700.00, \$274,156,700.00 for operations and~~

5 ~~\$4,952,000.00 for performance funding, appropriated from the~~

6 ~~following:~~

7 ~~—— (i) State school aid fund, \$44,536,300.00.~~

8 ~~—— (ii) State general fund/general purpose money, \$234,572,400.00.~~

9 ~~—— (l) The appropriation for University of Michigan — Dearborn is~~

10 ~~\$22,503,700.00, \$22,237,300.00 for operations and \$266,400.00 for~~

11 ~~performance funding, appropriated from the following:~~

12 ~~—— (i) State school aid fund, \$3,482,100.00.~~

13 ~~—— (ii) State general fund/general purpose money, \$19,021,600.00.~~

14 ~~—— (m) The appropriation for University of Michigan — Flint is~~

15 ~~\$19,928,100.00, \$19,526,600.00 for operations and \$401,500.00 for~~

16 ~~performance funding, appropriated from the following:~~

17 ~~—— (i) State school aid fund, \$2,942,900.00.~~

18 ~~—— (ii) State general fund/general purpose money, \$16,985,200.00.~~

19 ~~—— (n) The appropriation for Wayne State University is~~

20 ~~\$183,933,000.00, \$183,398,300.00 for operations and \$534,700.00 for~~

21 ~~performance funding, appropriated from the following:~~

22 ~~—— (i) State school aid fund, \$30,160,600.00.~~

23 ~~—— (ii) State general fund/general purpose money, \$153,772,400.00.~~

24 ~~—— (o) The appropriation for Western Michigan University is~~

25 ~~\$97,235,200.00, \$95,487,500.00 for operations and \$1,747,700.00 for~~

26 ~~performance funding, appropriated from the following:~~

27 ~~—— (i) State school aid fund, \$15,436,500.00.~~

1 ~~—— (ii) State general fund/general purpose money, \$81,798,700.00.~~
2 ~~—— (3) The amount appropriated for Michigan public school~~
3 ~~employees' retirement system reimbursement is \$2,446,200.00,~~
4 ~~\$446,200.00 appropriated from the state school aid fund and~~
5 ~~\$2,000,000.00 appropriated from general fund/general purpose money.~~
6 ~~—— (4) The amount appropriated for state and regional programs is~~
7 ~~\$2,200,000.00 appropriated from general fund/general purpose money~~
8 ~~and allocated as follows:~~
9 ~~—— (a) College access program, \$2,000,000.00.~~
10 ~~—— (b) Higher education database modernization and conversion,~~
11 ~~\$105,000.00.~~
12 ~~—— (c) Midwestern higher education compact, \$95,000.00.~~
13 ~~—— (5) The amount appropriated for the Martin Luther King, Jr.—~~
14 ~~Cesar Chavez—Rosa Parks program is \$2,691,500.00, appropriated~~
15 ~~from general fund/general purpose money and allocated as follows:~~
16 ~~—— (a) Select student support services, \$1,956,100.00.~~
17 ~~—— (b) Michigan college/university partnership program,~~
18 ~~\$586,800.00.~~
19 ~~—— (c) Morris Hood, Jr. educator development program,~~
20 ~~\$148,600.00.~~
21 ~~—— (6) Subject to subsection (7), the amount appropriated for~~
22 ~~grants and financial aid is \$101,626,400.00, allocated as follows:~~
23 ~~—— (a) State competitive scholarships, \$18,361,700.00.~~
24 ~~—— (b) Tuition grants, \$31,664,700.00.~~
25 ~~—— (c) Tuition incentive program, \$47,000,000.00.~~
26 ~~—— (d) Children of veterans and officer's survivor tuition grant~~
27 ~~programs, \$1,400,000.00.~~

1 ~~—— (c) Project GEAR UP, \$3,200,000.00.~~

2 ~~—— (7) The money appropriated in subsection (6) for grants and~~
3 ~~financial aid is appropriated from the following:~~

4 ~~—— (a) Federal revenues under the United States department of~~
5 ~~education, office of elementary and secondary education, GEAR UP~~
6 ~~program, \$3,200,000.00.~~

7 ~~—— (b) Federal revenues under the social security act, temporary~~
8 ~~assistance for needy families, \$93,826,400.00.~~

9 ~~—— (c) Contributions to children of veterans tuition grant~~
10 ~~program, \$100,000.00.~~

11 ~~—— (d) State general fund/general purpose money, \$4,500,000.00.~~