

HOUSE BILL NO. 4705

June 26, 2025, Introduced by Rep. Kelly and referred to 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),
section 11 as amended by 2024 PA 148 and section 17b as amended by
2007 PA 137.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) For the fiscal year ending September 30, 2025,
2 there is appropriated for the public schools of this state and
3 certain other state purposes relating to education the sum of
4 ~~\$17,769,551,300.00~~ **\$100.00** from the state school aid fund, the sum

1 of ~~\$78,830,600.00~~ **\$100.00** from the general fund, an amount not to
 2 exceed ~~\$41,000,000.00~~ **\$100.00** from the community district education
 3 trust fund created under section 12 of the Michigan trust fund act,
 4 2000 PA 489, MCL 12.262, an amount not to exceed ~~\$125,000,000.00~~
 5 **\$100.00** from the school transportation fund created under section
 6 22k, an amount not to exceed ~~\$71,000,000.00~~ **\$100.00** from the
 7 enrollment stabilization fund created under section 29, an amount
 8 not to exceed ~~\$30,000,000.00~~ **\$100.00** from the school meals reserve
 9 fund created under section 30e, an amount not to exceed
 10 ~~\$18,000,000.00~~ **\$100.00** from the great start readiness program
 11 reserve fund created under section 32e, an amount not to exceed
 12 ~~\$334,100,000.00~~ **\$100.00** from the MPERS retirement obligation
 13 reform reserve fund created under section 147b, and an amount not
 14 to exceed ~~\$30,000,000.00~~ **\$100.00** from the educator fellowship
 15 public provider fund created in section 27d. **For the fiscal year**
 16 **ending September 30, 2026, there is appropriated for the public**
 17 **schools of this state and certain other state purposes relating to**
 18 **education the sum of \$100.00 from the state school aid fund, the**
 19 **sum of \$100.00 from the general fund, an amount not to exceed the**
 20 **remaining balance, estimated at \$100.00, from the school**
 21 **consolidation and infrastructure fund created under section 11x, an**
 22 **amount not to exceed \$100.00 from the school transportation fund**
 23 **created under section 22k, an amount not to exceed \$100.00 from the**
 24 **enrollment stabilization fund created under section 29, an amount**
 25 **not to exceed \$100.00 from the great start readiness program**
 26 **reserve fund created under section 32e, and an amount not to exceed**
 27 **\$100.00 from the educator fellowship public provider fund created**
 28 **in section 27d. In addition, all available federal funds are only**
 29 **appropriated as allocated in this article for the fiscal year-years**

1 ending September 30, 2025 **and September 30, 2026.**

2 (2) The appropriations under this section are allocated as
3 provided in this article. Money appropriated under this section
4 from the general fund must be expended to fund the purposes of this
5 article before the expenditure of money appropriated under this
6 section from the state school aid fund.

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

10 Sec. 17b. (1) Not later than October 20, November 20, December
11 20, January 20, February 20, March 20, April 20, May 20, June 20,
12 July 20, and August 20, the department shall prepare electronic
13 files of the amount to be distributed under this act in the
14 installment to the districts and intermediate districts and deliver
15 the electronic files to the state treasurer, and the state
16 treasurer shall pay the installments on each of those dates or, if
17 the date is not a business day, on the next business day following
18 that date. Except as otherwise provided in this act, the portion of
19 the district's or intermediate district's state fiscal year
20 entitlement to be included in each installment ~~shall~~**must** be 1/11.
21 A district or intermediate district shall accrue the payments
22 received in July and August to the school fiscal year ending the
23 immediately preceding June 30.

24 (2) The state treasurer shall make payment under this section
25 by drawing a warrant in favor of the treasurer of each district or
26 intermediate district for the amount payable to the district or
27 intermediate district according to the electronic files and
28 delivering the warrant to the treasurer of each district or
29 intermediate district, or if the state treasurer receives a written

1 request by the treasurer of the district or intermediate district
2 specifying an account, by electronic funds transfer to that account
3 of the amount payable to the district or intermediate district
4 according to the electronic files. The department may make
5 adjustments in payments made under this section through additional
6 payments when changes in law or errors in computation cause the
7 regularly scheduled payment to be less than the amount to which the
8 district or intermediate district is entitled ~~pursuant to~~ **under**
9 this act.

10 (3) Except as otherwise provided in this act, grant payments
11 to districts and intermediate districts under this act shall be
12 paid according to the installment **payment** schedule under subsection
13 (1).

14 (4) Upon the written request of a district or intermediate
15 district and the submission of proof satisfactory to the department
16 of a need of a temporary and nonrecurring nature, the
17 superintendent, with the written concurrence of the state treasurer
18 and the state budget director, may authorize an advance release of
19 funds due a district or intermediate district under this act. An
20 advance authorized under this subsection ~~shall~~ **must** not cause funds
21 to be paid to a district or intermediate district more than 30 days
22 earlier than the established payment date for those funds.