

HOUSE BILL No. 4339

EXECUTIVE BUDGET BILL

March 2, 1989, Introduced by Rep. Jacobetti and referred to the Committee on Appropriations.

A bill to make appropriations for the public school employees' retirement system for the fiscal year ending September 30, 1990; to provide for the expenditure of the appropriations; to provide for the assignment of the payroll contribution rate to local school districts and intermediate school districts; and to provide for the disposition of other income received by the retirement system.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 101. There is appropriated for the public school employees'
2 retirement system for the fiscal year ending September 30, 1990, the following
3 amounts:

4 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

5 APPROPRIATIONS SUMMARY:

6 GROSS APPROPRIATION.....\$ 268,414,000

1	Total interdepartmental grants.....	(12,502,100)
2	ADJUSTED GROSS APPROPRIATION.....\$	280,916,100
3	Total federal revenues.....	10,150,100
4	Total local revenues.....	0
5	Total private revenues.....	0
6	Total other state restricted revenues.....	270,766,000
7	State general fund/general purpose.....\$	0
8	RETIREMENT ALLOWANCE	
9	Normal cost.....\$	93,040,600
10	Unfunded accrued liabilities.....	29,773,000
11	GROSS APPROPRIATION.....\$	122,813,600
12	Appropriated from:	
13	IDG-deficit community college/university credit.....	(12,502,100)
14	School aid fund.....	125,165,600
15	Retirement contribution pass-through.....	10,150,100
16	State general fund/general purpose.....\$	0
17	HEALTH INSURANCE	
18	Normal cost.....\$	80,373,300
19	Unfunded accrued liabilities.....	61,462,000
20	GROSS APPROPRIATION.....\$	141,835,300
21	Appropriated from:	
22	School aid fund.....	141,835,300
23	State general fund/general purpose.....\$	0
24	RECONCILIATION	
25	Prior year reconciled contribution, 1986-87 credit	
26	Correction.....\$	(6,452,600)

1	Prior year reconciled contributions, 1987-88 debit	
2	Correction.....	10,217,700
3	GROSS APPROPRIATION.....\$	3,765,100
4	Appropriated from:	
5	School aid fund.....	3,765,100
6	State general fund/general purpose.....\$	0

7 Sec. 201. In accordance with the provisions of section 30 of article IX of
8 the state constitution of 1963, total state spending in this act is
9 \$270,766,000.00. There are no state appropriations to be paid to local units of
10 government in section 101.

11 Sec. 202. Adjustments are made under the reconciliation appropriation unit
12 to reflect the differences between (a) the estimated and actual 1986-87
13 contribution requirements and (b) the estimated and actual 1987-88 contribution
14 requirements for the public school employees' retirement system as required in
15 section 41 of the public school employees retirement act of 1979, Act No. 300 of
16 the Public Acts of 1980, being section 38.1341 of the Michigan Compiled Laws.
17 The net amount of these adjustments shall be applied to the pension accumulation
18 fund created by section 30 of Act No. 300 of the Public Acts of 1980, being
19 section 38.1330 of the Michigan Compiled Laws.

20 Sec. 203. The appropriations in this act are made pursuant to the public
21 school employees' retirement act of 1979, Act No. 300 of the Public Acts of
22 1980, as amended, being sections 38.1301 to 38.1407 of the Michigan Compiled
23 Laws:

24 (1) the appropriations are to be allocated, using the entry age normal cost
25 actuarial method and risk assumptions adopted by the retirement board and the
26 department of management and budget, from the school aid fund established by

1 section 11 of article IX of the state constitution of 1963.

2 (2) The annual level percentage of payroll contribution rate assumed for
3 1989-90 is 11.4 percent. The portion of the contribution rate assigned to local
4 school districts and intermediate school districts for 1989-90 is 6.224
5 percentage points of the total 11.4 percentage points.