

HOUSE BILL No. 5330

December 6, 1989, Introduced by Reps. Walberg, Middaugh, O'Connor, Dunaskiss, Bartnik, Hoffman, Weeks, Nye, Dolan, Jaye, Crandall, Sofio, Kosteva, Clack, Stupak, Trim, Fitzgerald, Allen, Emmons, Pridnia, Munsell, Keith, DeBeaussaert and London and referred to the Committee on Education.

A bill to amend section 17 of Act No. 94 of the Public Acts of 1979, entitled as amended

"The state school aid act of 1979,"

as amended by Act No. 197 of the Public Acts of 1989, being section 388.1617 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 17 of Act No. 94 of the Public Acts of
2 1979, as amended by Act No. 197 of the Public Acts of 1989, being
3 section 388.1617 of the Michigan Compiled Laws, is amended to
4 read as follows:

5 Sec. 17. (1) Not later than October 1, December 1, February
6 1, April 1, June 1, and August 1, the department shall prepare a
7 statement of the amount to be distributed, exclusive of federal
8 social security payments, in the installment to the districts and
9 intermediate districts and deliver the statement to the state

1 treasurer. Except for section 22(2), the portion of the
2 district's or intermediate district's state fiscal year entitle-
3 ment to be included in each installment shall be 20%, 19%, 17%,
4 16%, 15%, and 13%, respectively. Section 22(2) allocations shall
5 be paid in full in the October ~~warrant~~ PAYMENT. The state
6 treasurer shall ~~draw~~ MAKE PAYMENT UNDER THIS SECTION BY DRAWING
7 a warrant in favor of the treasurer of each district or interme-
8 diate district for the amount payable to the district or interme-
9 diate district according to the statement and ~~deliver~~
10 DELIVERING the warrant to the treasurer of each district or
11 intermediate district OR, IF THE STATE TREASURER RECEIVES A WRIT-
12 TEN REQUEST BY THE TREASURER OF THE DISTRICT OR INTERMEDIATE DIS-
13 TRICT SPECIFYING AN ACCOUNT, BY ELECTRONIC FUNDS TRANSFER TO THAT
14 ACCOUNT OF THE AMOUNT PAYABLE TO THE DISTRICT OR INTERMEDIATE
15 DISTRICT ACCORDING TO THE STATEMENT. The department may make
16 adjustments in payments made under this section through addi-
17 tional payments when changes in law or errors in computation
18 cause the regularly scheduled payment to be less than the amount
19 to which the district or intermediate district is entitled pursu-
20 ant to this act. For the 1988-89 school fiscal year only, a dis-
21 trict or intermediate district may consider the amount distrib-
22 uted on August 1 of the next school fiscal year to be continu-
23 ously allocated for either the immediately preceding or current
24 school fiscal year for state accounting purposes. A district or
25 intermediate district that chooses to allocate the August 1 pay-
26 ment to the immediately preceding school fiscal year shall notify
27 in writing the department of its decision not later than

1 October 16, 1989. Any district or intermediate district that
2 does not so notify the department shall continue to allocate the
3 August 1 payment for state accounting purposes to the current
4 school fiscal year in which the payments are received under the
5 payment schedule of this section. If a district experiences an
6 increase in membership over the prior year, the August 1 payment
7 shall be recomputed so that the district receives credit for the
8 increased membership in the school fiscal year, with the addi-
9 tional amount due the district to be allocated in the February 1,
10 April 1, or June 1 payments or any combination of these
11 payments. However, this additional amount shall then be deducted
12 from the district's subsequent August 1 payment, so that the
13 state pays the district no more, in the state's fiscal year, than
14 the district's proper entitlement under this act.

15 (2) Payments made pursuant to subsection (1) shall be
16 adjusted so that districts and intermediate districts receive, in
17 addition, in their 1982-83 school fiscal year those amounts by
18 which their 1982-83 school fiscal year payments were reduced due
19 to executive order 1982-13. Payments in subsequent fiscal years
20 shall be adjusted so that districts and intermediate districts
21 receive not later than October 31 of their school fiscal year
22 those amounts by which the payments of that school fiscal year
23 were reduced due to this subsection.

24 (3) Payments made pursuant to subsection (1) shall be
25 adjusted so that districts and intermediate districts receive, in
26 addition, in their 1983-84 school fiscal year 60% of those
27 amounts by which their 1983-84 school fiscal year payments were

1 reduced due to Executive Order 1983-5. Payments in subsequent
2 fiscal years shall be adjusted so that districts and intermediate
3 districts receive not later than October 31 for each school
4 fiscal year those amounts by which the payments of that school
5 fiscal year were reduced due to this subsection.

6 (4) In order to ensure that all districts and intermediate
7 districts receive the adjustments provided for in subsections (2)
8 and (3), the department may make any necessary adjustments in
9 individual district and intermediate district payments.

10 (5) Monthly payments to districts or intermediate districts,
11 for federal social security obligations only, shall be disbursed
12 by the state treasurer pursuant to section 146. The department
13 shall prepare a monthly statement of the amount to be distributed
14 to the districts or intermediate districts and deliver the state-
15 ment to the state treasurer. The state treasurer shall ~~draw~~
16 MAKE PAYMENT UNDER THIS SECTION BY DRAWING a warrant in favor of
17 the treasurer of each district or intermediate district for the
18 amount payable to the district or intermediate district according
19 to the statement and ~~deliver~~ DELIVERING the warrant to the
20 treasurer of each district or intermediate district OR, IF THE
21 STATE TREASURER RECEIVES A WRITTEN REQUEST BY THE TREASURER OF
22 THE DISTRICT OR INTERMEDIATE DISTRICT SPECIFYING AN ACCOUNT, BY
23 ELECTRONIC FUNDS TRANSFER TO THAT ACCOUNT OF THE AMOUNT PAYABLE
24 TO THE DISTRICT OR INTERMEDIATE DISTRICT ACCORDING TO THE
25 STATEMENT.