

# HOUSE BILL No. 5487

## EXECUTIVE BUDGET BILL

February 14, 1990, Introduced by Reps. Jacobetti and Scott 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, 1991; 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, 1991, the fol-  
3       lowing amounts:

#### 4       PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

#### 5       APPROPRIATIONS SUMMARY:

6       GROSS APPROPRIATION.....	\$	391,776,200
7       Total federal revenues.....		14,285,000

1	Total other state restricted revenues.....	\$	363,169,400
2	State general fund/general purpose.....	\$	14,321,800
3	RETIREMENT ALLOWANCE		
4	Normal cost.....		121,950,000
5	Unfunded accrued liabilities.....		39,024,000
6	Deficient interdepartmental grant revenues.....		6,264,400
7	GROSS APPROPRIATION.....	\$	167,238,400
8	Appropriated from:		
9	Retirement contribution pass-through.....		14,285,000
10	School aid fund.....		146,689,000
11	State general fund/general purpose.....	\$	6,264,400
12	HEALTH BENEFITS		
13	Normal cost.....		115,446,000
14	Unfunded accrued liabilities.....		91,598,000
15	Deficient interdepartmental grant revenues.....		8,057,400
16	GROSS APPROPRIATION.....	\$	215,101,400
17	Appropriated from:		
18	School aid fund.....		207,044,000
19	State general fund/general purpose.....	\$	8,057,400
20	RECONCILIATION		
21	Prior year reconciled contribution 1987-88 credit		
22	correction.....		(1,532,000)
23	Prior year reconciled contribution 1988-89 debit		
24	correction.....		10,968,400
25	GROSS APPROPRIATION.....	\$	9,436,400
26	Appropriated from:		

1 School aid fund..... \$ 9,436,400

2 State general fund/general purpose..... \$ 0

3 Sec. 201. In accordance with the provisions of section 30 of article IX of  
4 the state constitution of 1963, total state spending in this act is  
5 \$377,491,200.00. There are no state appropriations to be paid to local units  
6 of government in section 101.

7 Sec. 202. Adjustments are made under the reconciliation appropriation unit  
8 to reflect the differences between the estimated and actual 1987-88  
9 contribution requirements and the estimated and actual 1988-89 contribution  
10 requirements for the public school employees' retirement system as required in  
11 section 41 of the public school employees retirement act of 1979, Act No. 300  
12 of the Public Acts of 1980, being section 38.1341 of the Michigan Compiled  
13 Laws. The net amount of these adjustments shall be applied to the reserve for  
14 employer contributions created by section 30 of Act No. 300 of the Public Acts  
15 of 1980, as amended, being section 38.1330 of the Michigan Compiled Laws.

16 Sec. 203. (1) The appropriations in this act are made pursuant to the public  
17 school employees retirement act of 1979, Act No. 300 of the Public Acts of  
18 1980, being sections 38.1301 to 38.1407 of the Michigan Compiled Laws.

19 (2) The appropriations are to be allocated, using the entry age normal cost  
20 actuarial method and risk assumptions adopted by the retirement board and the  
21 department of management and budget, from the school aid fund established by  
22 section 11 of article IX of the state constitution of 1963.

23 (3) The annual level percentage of payroll contribution rate assumed for  
24 1990-91 is 11.79%. The portion of the contribution rate assigned to local  
25 school districts and intermediate school districts for 1990-91 is 5.0  
26 percentage points of the total 11.79 percentage points.