

# SENATE BILL NO. 742

January 22, 2020, Introduced by Senator SCHMIDT 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 and 17b (MCL 388.1611 and 388.1617b), section 11 as amended by 2019 PA 162 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, ~~2020,~~  
2 **2021**, there is appropriated for the public schools of this state  
3 and certain other state purposes relating to education the sum of

1 ~~\$13,287,765,000.00~~ \$ \_\_\_\_\_ from the state school aid fund,  
 2 the sum of ~~\$62,620,000.00~~ \$ \_\_\_\_\_ from the general fund, **and**  
 3 an amount not to exceed ~~\$75,400,000.00~~ \$ \_\_\_\_\_ from the  
 4 community district education trust fund created under section 12 of  
 5 the Michigan trust fund act, 2000 PA 489, MCL 12.262. ~~, an amount~~  
 6 ~~not to exceed \$1,900,000.00 from the MPSERS retirement obligation~~  
 7 ~~reform reserve fund, and an amount not to exceed \$100.00 from the~~  
 8 ~~water emergency reserve fund.~~ In addition, all available federal  
 9 funds are appropriated for the fiscal year ending September 30,  
 10 ~~2020.2021.~~

11 (2) The appropriations under this section are allocated as  
 12 provided in this article. Money appropriated under this section  
 13 from the general fund must be expended to fund the purposes of this  
 14 article before the expenditure of money appropriated under this  
 15 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 fiscal year are transferred to the  
 18 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  
 28 the district's or intermediate district's state fiscal year  
 29 entitlement to be included in each installment ~~shall~~ **must** be 1/11.

1 A district or intermediate district shall accrue the payments  
2 received in July and August to the school fiscal year ending the  
3 immediately preceding June 30.

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

18 (3) Except as otherwise provided in this act, grant payments  
19 to districts and intermediate districts under this act ~~shall~~**must**  
20 be paid according to the installment **payment** schedule under  
21 subsection (1).

22 (4) Upon the written request of a district or intermediate  
23 district and the submission of proof satisfactory to the department  
24 of a need of a temporary and nonrecurring nature, the  
25 superintendent, with the written concurrence of the state treasurer  
26 and the state budget director, may authorize an advance release of  
27 funds due a district or intermediate district under this act. An  
28 advance authorized under this subsection ~~shall~~**must** not cause funds  
29 to be paid to a district or intermediate district more than 30 days

**1** earlier than the established payment date for those funds.