

**SUBSTITUTE FOR
HOUSE BILL NO. 4235**

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 2016 PA 249 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, 2016,~~
2 ~~there is appropriated for the public schools of this state and~~
3 ~~certain other state purposes relating to education the sum of~~
4 ~~\$11,905,439,300.00 from the state school aid fund and the sum of~~
5 ~~\$55,100,000.00 from the general fund. For the fiscal year ending~~
6 ~~September 30, 2017,~~ **2018**, there is appropriated for the public
7 schools of this state and certain other state purposes relating to
8 education the sum of ~~\$12,052,309,300.00~~ **\$100.00** from the state

1 school aid fund, the sum of ~~\$218,900,000.00~~ **\$100.00** from the
 2 general fund, **AND** an amount not to exceed ~~\$72,000,000.00~~ **\$100.00**
 3 from the community district education trust fund created under
 4 section 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262.
 5 ~~, and an amount not to exceed \$100.00 from the water emergency~~
 6 ~~reserve fund.~~ In addition, all other available federal funds are
 7 appropriated ~~each fiscal year~~ for the fiscal years **YEAR** ending
 8 ~~September 30, 2016 and September 30, 2017.~~ **2018.**

9 (2) The appropriations under this section shall be allocated
 10 as provided in this article. Money appropriated under this section
 11 from the general fund shall be expended to fund the purposes of
 12 this article before the expenditure of money appropriated under
 13 this section from the state school aid fund.

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

17 Sec. 17b. (1) Not later than October 20, November 20, December
 18 20, January 20, February 20, March 20, April 20, May 20, June 20,
 19 July 20, and August 20, the department shall prepare electronic
 20 files of the amount to be distributed under this act in the
 21 installment to the districts and intermediate districts and deliver
 22 the electronic files to the state treasurer, and the state
 23 treasurer shall pay the installments on each of those dates or, if
 24 the date is not a business day, on the next business day following
 25 that date. Except as otherwise provided in this act, the portion of
 26 the district's or intermediate district's state fiscal year
 27 entitlement to be included in each installment shall be 1/11. A

1 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 be
20 paid according to the installment **PAYMENT** schedule under subsection
21 (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

1 advance authorized under this subsection shall not cause funds to
2 be paid to a district or intermediate district more than 30 days
3 earlier than the established payment date for those funds.