

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 863**

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 2017 PA 143 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, 2017,~~
2 ~~there is appropriated for the public schools of this state and~~
3 ~~certain other state purposes relating to education the sum of~~
4 ~~\$12,069,644,300.00 from the state school aid fund, the sum of~~
5 ~~\$179,100,000.00 from the general fund, an amount not to exceed~~
6 ~~\$72,000,000.00 from the community district education trust fund~~
7 ~~created under section 12 of the Michigan trust fund act, 2000 PA~~
8 ~~489, MCL 12.262, and an amount not to exceed \$100.00 from the water~~

~~emergency reserve fund.~~ For the fiscal year ending September 30, 2018, **2019**, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of ~~\$12,547,270,300.00~~ **\$100.00** from the state school aid fund, the sum of ~~\$215,000,000.00~~ **\$100.00** from the general fund, **AND** an amount not to exceed ~~\$72,000,000.00~~ **\$100.00** from the community district education trust fund created under section 12 of the Michigan trust fund act, 2000 PA 489, MCL 12.262. ~~, an amount not to exceed \$23,100,000.00 from the MPSERS retirement obligation reform reserve fund, and an amount not to exceed \$100.00 from the water emergency reserve fund.~~ In addition, all available federal funds are appropriated ~~each fiscal year~~ for the fiscal years ~~YEAR~~ ending ~~September 30, 2017 and September 30, 2018~~. **2019**.

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

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

Sec. 17b. (1) Not later than October 20, November 20, December 20, January 20, February 20, March 20, April 20, May 20, June 20, July 20, and August 20, the department shall prepare electronic files of the amount to be distributed under this act in the installment to the districts and intermediate districts and deliver the electronic files to the state treasurer, and the state

1 treasurer shall pay the installments on each of those dates or, if
2 the date is not a business day, on the next business day following
3 that date. Except as otherwise provided in this act, the portion of
4 the district's or intermediate district's state fiscal year
5 entitlement to be included in each installment shall be 1/11. A
6 district or intermediate district shall accrue the payments
7 received in July and August to the school fiscal year ending the
8 immediately preceding June 30.

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

23 (3) Except as otherwise provided in this act, grant payments
24 to districts and intermediate districts under this act shall be
25 paid according to the installment **PAYMENT** schedule under subsection
26 (1).

27 (4) Upon the written request of a district or intermediate

1 district and the submission of proof satisfactory to the department
2 of a need of a temporary and nonrecurring nature, the
3 superintendent, with the written concurrence of the state treasurer
4 and the state budget director, may authorize an advance release of
5 funds due a district or intermediate district under this act. An
6 advance authorized under this subsection shall not cause funds to
7 be paid to a district or intermediate district more than 30 days
8 earlier than the established payment date for those funds.