

HOUSE BILL No. 5669

March 12, 1998, Introduced by Rep. Hood and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending section 11 (MCL 388.1611), as amended by 1997 PA
142.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. (1) ~~For the fiscal year ending September 30,~~
2 ~~1998, there is appropriated for the public schools of this state~~
3 ~~and certain other state purposes relating to education the sum of~~
4 ~~\$8,717,471,600.00 from the state school aid fund established by~~
5 ~~section 11 of article IX of the state constitution of 1963 and~~
6 ~~the sum of \$377,935,400.00 from the general fund.~~ For the fiscal
7 year ending September 30, 1999, there is appropriated for the
8 public schools of this state and certain other state purposes
9 relating to education the sum of ~~\$9,036,198,400.00~~
10 \$_____ from the state school aid fund established by

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1 section 11 of article IX of the state constitution of 1963 and
2 the sum of ~~\$420,613,500.00~~ \$_____ from the general
3 fund. In addition, available federal funds are appropriated for
4 ~~1997-98 and for~~ 1998-99.

5 (2) The appropriations under this section shall be allocated
6 as provided in this act. Money appropriated under this section
7 from the general fund and from available federal funds shall be
8 expended to fund the purposes of this act before the expenditure
9 of money appropriated under this section from the state school
10 aid fund. If the maximum amount appropriated under this section
11 from the state school aid fund for a fiscal year exceeds the
12 amount necessary to fully fund allocations under this act from
13 the state school aid fund, that excess amount shall not be
14 expended in that state fiscal year and shall not lapse to the
15 general fund, but instead shall remain in the state school aid
16 fund.

17 (3) If the maximum amount appropriated under this section
18 and sections 11f and 11g from the state school aid fund for a
19 fiscal year exceeds the amount available for expenditure from the
20 state school aid fund for that fiscal year, payments under sec-
21 tions 11f, 11g, and 51a(2) shall be made in full and payments
22 under each of the other sections of this act shall be prorated on
23 an equal percentage basis as necessary to reflect the amount
24 available for expenditure from the state school aid fund for that
25 fiscal year. However, if the department of treasury determines
26 that proration will be required under this subsection, the
27 department of treasury shall notify the director of the

1 department of management and budget, and the director of the
2 department of management and budget shall notify the legislature
3 at least 30 calendar days or 6 legislative session days, which-
4 ever is more, before the department reduces any payments under
5 this act because of the proration. During the 30 calendar day or
6 6 legislative session day period after that notification by the
7 director of the department of management and budget, the depart-
8 ment shall not reduce any payments under this act because of pro-
9 ration under this subsection. The legislature may prevent prora-
10 tion from occurring by, within the 30 calendar day or 6 legisla-
11 tive session day period after that notification by the department
12 of management and budget, enacting legislation appropriating
13 additional funds from the general fund, countercyclical budget
14 and economic stabilization fund, state school aid fund balance,
15 or another source to fund the amount of the projected shortfall.