

# HOUSE BILL No. 5732

August 27, 2014, Introduced by Rep. Haveman 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 2014 PA 196 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, 2014,~~  
 2 ~~there is appropriated for the public schools of this state and~~  
 3 ~~certain other state purposes relating to education the sum of~~  
 4 ~~\$11,200,232,300.00 from the state school aid fund, the sum of~~  
 5 ~~\$156,000,000.00 from the MPSERS retirement obligation reform~~  
 6 ~~reserve fund created under section 147b, and the sum of~~  
 7 ~~\$149,900,000.00 from the general fund. For the fiscal year ending~~

1 September 30, 2015, there is appropriated for the public schools of  
2 this state and certain other state purposes relating to education  
3 the sum of ~~\$11,929,262,900.00~~ \$ \_\_\_\_\_ from the state  
4 school aid fund, the sum of ~~\$18,000,000.00~~ \$ \_\_\_\_\_ from  
5 the MPSEERS retirement obligation reform reserve fund created under  
6 section 147b, and the sum of ~~\$114,900,000.00~~ \$ \_\_\_\_\_ from  
7 the general fund. In addition, all other available federal funds  
8 are appropriated ~~each fiscal year for the fiscal year ending~~  
9 ~~September 30, 2014 and for the fiscal year ending~~ September 30,  
10 2015.

11 (2) The appropriations under this section shall be allocated  
12 as provided in this article. Money appropriated under this section  
13 from the general fund shall be expended to fund the purposes of  
14 this article before the expenditure of money appropriated under  
15 this 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 state fiscal year are transferred to  
18 the 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

1 the district's or intermediate district's state fiscal year  
2 entitlement to be included in each installment shall be 1/11. A  
3 district or intermediate district shall accrue the payments  
4 received in July and August to the school fiscal year ending the  
5 immediately preceding June 30.

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

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

24 (4) Upon the written request of a district or intermediate  
25 district and the submission of proof satisfactory to the department  
26 of a need of a temporary and nonrecurring nature, the  
27 superintendent, with the written concurrence of the state treasurer

1 and the state budget director, may authorize an advance release of  
2 funds due a district or intermediate district under this act. An  
3 advance authorized under this subsection shall not cause funds to  
4 be paid to a district or intermediate district more than 30 days  
5 earlier than the established payment date for those funds.