

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

***** 388.1611z.amended THIS AMENDED SECTION IS EFFECTIVE OCTOBER 1, 2024 *****

388.1611z.amended School aid countercyclical budget and foundation stabilization fund.

Sec. 11z. (1) The school aid countercyclical budget and foundation stabilization fund is created as a separate account in the state school aid fund.

(2) The state treasurer may receive money or other assets from any source for deposit into the school aid countercyclical budget and foundation stabilization fund.

(3) The state treasurer shall direct the investment of the school aid countercyclical budget and foundation stabilization fund. The state treasurer shall credit to the school aid countercyclical budget and foundation stabilization fund interest and earnings from fund investments.

(4) Money in the school aid countercyclical budget and foundation stabilization fund at the close of a fiscal year remains in the school aid countercyclical budget and foundation stabilization fund and does not lapse to the state school aid fund or the general fund.

(5) Except as provided in subsections (6) and (7), money available in the school aid countercyclical budget and foundation stabilization fund may not be expended without a specific appropriation from the school aid countercyclical budget and foundation stabilization fund.

(6) If, for a given fiscal year, the department of treasury determines that proration of payments under this article will be required under section 296, the amount necessary to avoid proration, or an amount necessary to reduce proration, may be deposited from the school aid countercyclical budget and foundation stabilization fund into the state school aid fund. The state budget director shall notify the legislature of a deposit under this subsection at least 30 calendar days or 6 legislative session days, whichever is more, before a deposit is made. Funds deposited into the state school aid fund under this subsection must be used only to eliminate or reduce proration under this article, as required under section 296. If, after making final calculations under section 296, the amount deposited into the state school aid fund under this section exceeds the amount actually necessary to eliminate or reduce proration, the excess amount must be deposited back into the school aid countercyclical budget and foundation stabilization fund.

(7) If year-over-year revenues for the state school aid fund are projected to decline, as determined during the final revenue estimating conference of a given fiscal year, the gross year-over-year decline in state school aid fund revenue may be deposited from the school aid countercyclical budget and foundation stabilization fund into the state school aid fund. The state budget director shall notify the legislature of a deposit under this subsection at least 30 calendar days or 6 legislative session days, whichever is more, before a deposit is made.

(8) Funds deposited into the state school aid fund under this section must be appropriated only for purposes under article I.

(9) For the fiscal year ending September 30, 2025 only, \$25,000,000.00 from the state school aid fund is deposited into the school aid countercyclical budget and foundation stabilization fund.

(10) As used in this section:

(a) "Revenue estimating conference" means a revenue estimating conference occurring in May as described in section 367b of the management and budget act, MCL 18.1367b.

(b) "Year-over-year" means a comparison of the fiscal year in which calculations are being made to the fiscal year immediately preceding the fiscal year in which calculations are being made.

History: Add. 2023, Act 103, Imd. Eff. July 21, 2023;—Am. 2024, Act 120, Eff. Oct. 1, 2024.