

SENATE BILL No. 223

March 20, 1991, Introduced by Senator DE GROW and referred
to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to make appropriations for the public school employees' retirement system for the fiscal year ending September 30, 1992; to provide for the expenditure of the appropriations; and to provide for the disposition of other income received by the retirement system.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 101. There is appropriated for the public school employees'
2 retirement system for the fiscal year ending September 30, 1992, the following
3 amounts:

4 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

5 APPROPRIATIONS SUMMARY:

| | | | |
|----|--|----|-------------|
| 1 | GROSS APPROPRIATION..... | \$ | 417,910,900 |
| 2 | ADJUSTED GROSS APPROPRIATION..... | \$ | 417,910,900 |
| 3 | Total federal revenues..... | | 14,756,300 |
| 4 | Total state restricted..... | | 403,154,600 |
| 5 | State general fund/general purpose..... | \$ | 0 |
| 6 | RETIREMENT ALLOWANCE | | |
| 7 | Normal cost..... | \$ | 95,611,400 |
| 8 | Unfunded accrued liabilities..... | | 83,660,000 |
| 9 | GROSS APPROPRIATION..... | \$ | 179,271,400 |
| 10 | Appropriated from: | | |
| 11 | Federal revenues: | | |
| 12 | Retirement contribution pass through..... | \$ | 6,727,800 |
| 13 | Special revenue funds: | | |
| 14 | School aid fund..... | \$ | 172,543,600 |
| 15 | State general fund/general purpose..... | \$ | 0 |
| 16 | HEALTH INSURANCE BENEFITS | | |
| 17 | Premium Disbursement..... | \$ | 213,930,500 |
| 18 | GROSS APPROPRIATION..... | \$ | 213,930,500 |
| 19 | Appropriated from: | | |
| 20 | Federal revenues: | | |
| 21 | Health contribution pass-through..... | | 8,028,500 |
| 22 | Special revenue funds: | | |
| 23 | School aid fund..... | | 205,902,000 |
| 24 | State general fund/general purpose..... | | 0 |
| 25 | RECONCILIATION OF PRIOR YEAR CONTRIBUTIONS | | |
| 26 | 1988-89 final adjustment (20% phase 1 of 5)..... | | 283,800 |

| | | |
|---|--|------------|
| 1 | 1988-89 tentative adjustment (20% phase 2 of 5)..... | 10,968,400 |
| 2 | 1989-90 tentative adjustment (20% phase 1 of 5)..... | 9,271,000 |
| 3 | Interest payment on unpaid balances..... | 4,185,800 |
| 4 | GROSS APPROPRIATION..... \$ | 24,709,000 |
| 5 | Appropriated from: | |
| 6 | Special revenue funds: | |
| 7 | School Aid fund..... \$ | 24,709,000 |
| 8 | State general fund/general purpose..... \$ | 0 |

9 GENERAL SECTIONS

10 Sec. 201. In accordance with the provisions of section 30 of article IX
 11 of the state constitution of 1963, total state spending in this bill is
 12 \$403,154,600.00. There are not state appropriations to be paid to local units
 13 of government in section 101.

14 Sec. 202. Adjustments are made under the reconciliation of prior years
 15 contributions appropriation unit in section 101 to reflect the difference
 16 between the estimated and actual 1988-89 and 1989-90 contribution requirements
 17 for the public school employees' retirement system as required in section 41 of
 18 the public school employees retirement act of 1979, Act. No 300 of the Public
 19 Acts of 1980, being section 38.1341 of the Michigan Compiled Laws. The net
 20 amount of these adjustments shall be applied to the reserve for employer
 21 contributions created by section 30 of Act. No 300 of the Public Acts of 1980,
 22 as amended, being section 38.1330 of the Michigan Compiled Laws.

23 Sec. 203. (1) The appropriations in section 101 of this act are made
 24 pursuant to the public school employees retirement act of 1979, Act No. 300 of
 25 the Public Acts of 1980, being sections 38.1301 to 38.1407 of the Michigan
 26 Compiled Laws. The appropriations are to be allocated, using the entry age

1 normal cost actuarial method and risk assumptions adopted by the retirement
2 board and the department of management and budget, from the school aid fund
3 established by section 11 of article IX of the state constitution of 1963.

4 (2) The annual level percentage of payroll contribution rate assumed for
5 1991-92 is 11.58%. The portion of the contribution rate assigned by law to
6 local school districts and intermediate school districts for 1991-92 is 5.0
7 percentage points of the total 11.58 percentage points.