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BILL ANALYSIS

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Senate Bill 773 (as enrolled)  
Sponsor: Senator Ron Jelinek  
Committee: Appropriations

Date Completed: 10-1-07

### **CONTENT**

Enrolled Senate Bill 773 would amend the State School Aid Act by appropriating, in most cases, 1/11<sup>th</sup> of fiscal year (FY) 2006-07 allocations in order to provide funds for the first monthly payment of FY 2007-08 to school districts, charter schools, intermediate school districts, and other entities. All programs funded with State dollars, except under Section 11j, are appropriated at 1/11<sup>th</sup> of their FY 2006-07 amount, with language specifying that all State funds are allocated for the same purposes, from the same funding sources, and under the same conditions as State funds were allocated under the Act in FY 2006-07. Most programs appropriated under this bill total 1/11<sup>th</sup> because school aid payments are made over 11 months during the year, beginning in October and ending in August, and this funding continues FY 2006-07 policies and appropriations into the month of October, 2007.

Section 11j provides debt service funding for the School Loan Bond Redemption Fund, and is funded in its entirety at \$1,900,000.

Federal funds are appropriated in their entirety, with updated estimates for most Federal grants reflected in Section 39a. Also, Federal bilingual funds appropriated under Section 41a in FY 2006-07 are moved into Section 39a, and Federal carry-forward funding appropriated under Section 98b in FY 2006-07 for wireless technology is repealed since that program has ended.

The bill contains three boilerplate sections. The first (Section 8b) includes a mechanism for providing district codes to charter schools in the event more than 100 schools open in one county; the second (Section 17b) provides for the payment schedule; and, the third (Section 147) provides for the FY 2007-08 retirement rate charged to districts to support the Public School Employees Retirement System.

MCL 388.1601 et al.

### **FISCAL IMPACT**

The total State funds appropriated in Section 11 of the Act under this bill include \$1,049,123,900 from the School Aid Fund and \$3,181,800 from the General Fund.

Enacting Sections 1 and 2 tie bar the continuation budget to changes in the Income Tax Act (House Bill 5194) and either the Sales Tax Act (House Bill 5198) or other revenue changes included in House Bills 5252, 5253, 5254, 5255, and 5256.

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