HOUSE SUBSTITUTE FOR SENATE BILL NO. 927

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979,"

by amending sections 11, 17b, 201, 201a, 236, and 236a (MCL 388.1611, 388.1617b, 388.1801, 388.1801a, 388.1836, and 388.1836a), sections 11, 201, and 236 as amended by 2020 PA 146, section 17b as amended by 2007 PA 137, section 201a as amended by 2019 PA 52, and section 236a as amended by 2019 PA 62.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 11. (1) For the fiscal year ending September 30, 2020, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$12,660,530,800.00 \$100.00 from the state school aid fund, the sum of \$273,600,000.00 \$100.00 from the general fund, an amount not to





1 exceed \$75,900,000.00 \$100.00 from the community district education

- 2 trust fund created under section 12 of the Michigan trust fund act,
- 3 2000 PA 489, MCL 12.262, an amount not to exceed \$9,717,800.00
- 4 \$100.00 from the talent investment fund created under section 8a of
- 5 the higher education loan authority act, 1975 PA 222, MCL
- 6 390.1158a, an amount not to exceed \$31,900,000.00 \$100.00 from the
- 7 MPSERS retirement obligation reform reserve fund, and an amount not
- 8 to exceed \$100.00 from the water emergency reserve fund. For the
- 9 fiscal year ending September 30, 2021, there is appropriated for
- 10 the public schools of this state and certain other state purposes
- 11 relating to education the sum of \$100.00 from the state school aid
- 12 fund, the sum of \$100.00 from the general fund, an amount not to
- 13 exceed \$100.00 from the community district education trust fund
- 14 created under section 12 of the Michigan trust fund act, 2000 PA
- 15 489, MCL 12.262, an amount not to exceed \$100.00 from the talent
- 16 investment fund created under section 8a of the higher education
- 17 loan authority act, 1975 PA 222, MCL 390.1158a, an amount not to
- 18 exceed \$100.00 from the MPSERS retirement obligation reform reserve
- 19 fund, and an amount not to exceed \$100.00 from the water emergency
- 20 reserve fund. In addition, all available federal funds are
- 21 appropriated for the fiscal year years ending September 30, 2020
- 22 and September 30, 2021.
- 23 (2) The appropriations under this section are allocated as
- 24 provided in this article. Money appropriated under this section
- 25 from the general fund must be expended to fund the purposes of this
- 26 article before the expenditure of money appropriated under this
- 27 section from the state school aid fund.
- 28 (3) Any general fund allocations under this article that are
- 29 not expended by the end of the fiscal year are transferred to the

1 school aid stabilization fund created under section 11a.

2 Sec. 17b. (1) Not later than October 20, November 20, December

- 3 20, January 20, February 20, March 20, April 20, May 20, June 20,
- 4 July 20, and August 20, the department shall prepare electronic
- 5 files of the amount to be distributed under this act in the
- 6 installment to the districts and intermediate districts and deliver
- 7 the electronic files to the state treasurer, and the state
- 8 treasurer shall pay the installments on each of those dates or, if
- 9 the date is not a business day, on the next business day following
- 10 that date. Except as otherwise provided in this act, the portion of
- 11 the district's or intermediate district's state fiscal year
- 12 entitlement to be included in each installment shall must be 1/11.
- 13 A district or intermediate district shall accrue the payments
- 14 received in July and August to the school fiscal year ending the
- 15 immediately preceding June 30.
- 16 (2) The state treasurer shall make payment under this section
- 17 by drawing a warrant in favor of the treasurer of each district or
- 18 intermediate district for the amount payable to the district or
- 19 intermediate district according to the electronic files and
- 20 delivering the warrant to the treasurer of each district or
- 21 intermediate district, or if the state treasurer receives a written
- 22 request by the treasurer of the district or intermediate district
- 23 specifying an account, by electronic funds transfer to that account
- 24 of the amount payable to the district or intermediate district
- 25 according to the electronic files. The department may make
- 26 adjustments in payments made under this section through additional
- 27 payments when changes in law or errors in computation cause the
- 28 regularly scheduled payment to be less than the amount to which the
- 29 district or intermediate district is entitled pursuant to this act.

- (4) Upon the written request of a district or intermediate 5 6 district and the submission of proof satisfactory to the department 7 of a need of a temporary and nonrecurring nature, the 8 superintendent, with the written concurrence of the state treasurer 9 and the state budget director, may authorize an advance release of 10 funds due a district or intermediate district under this act. An 11 advance authorized under this subsection shall must not cause funds to be paid to a district or intermediate district more than 30 days 12 earlier than the established payment date for those funds. 13
 - Sec. 201. (1)—Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for community colleges for the fiscal year ending September 30, 2020, 2021, from the funds indicated in this section. The following is a summary of the appropriations in this section and section 201c:
- 19 (a) The gross appropriation is \$414,719,000.00. \$100.00. After
 20 deducting total interdepartmental grants and intradepartmental
 21 transfers in the amount of \$0.00, the adjusted gross appropriation
 22 is \$414,719,000.00.\$100.00.
- (b) The sources of the adjusted gross appropriation describedin subdivision (a) are as follows:
 - (i) Total federal revenues, \$36,273,400.00.\$0.00.
- 26 (ii) Total local revenues, \$0.00.
- 27 (iii) Total private revenues, \$0.00.
- (iv) Total other state restricted revenues,
- 29 \$378,445,600.00.\$100.00.



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(v) State general fund/general purpose money, $0.00.
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          (2) Subject to subsection (3), the amount appropriated for
    community college operations is $289,200,000.00, allocated as
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    follows:
 5
          (a) The appropriation for Alpena Community College is
    $5,127,800.00, $5,058,300.00 for operations, $50,200.00 for
 6
 7
    performance funding, and $19,300.00 for costs incurred under the
    North American Indian tuition waiver.
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 9
          (b) The appropriation for Bay de Noc Community College is
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    $5,112,800.00, $4,926,700.00 for operations, $48,200.00 for
    performance funding, and $137,900.00 for costs incurred under the
11
12
    North American Indian tuition waiver.
13
          (c) The appropriation for Delta College is $13,502,300.00,
14
    $13,371,000.00 for operations, $90,400.00 for performance funding,
15
    and $40,900.00 for costs incurred under the North American Indian
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    tuition waiver.
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          (d) The appropriation for Glen Oaks Community College is
    $2,355,300.00, $2,323,300.00 for operations, $30,800.00 for
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    performance funding, and $1,200.00 for costs incurred under the
20
    North American Indian tuition waiver.
21
          (e) The appropriation for Gogebic Community College is
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    $4,387,500.00, $4,287,700.00 for operations, $39,900.00 for
23
    performance funding, and $59,900.00 for costs incurred under the
    North American Indian tuition waiver.
24
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          (f) The appropriation for Grand Rapids Community College is
    $16,909,400.00, $16,540,900.00 for operations, $128,200.00 for
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    performance funding, and $240,300.00 for costs incurred under the
    North American Indian tuition waiver.
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          (g) The appropriation for Henry Ford College is
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$20,049,300.00, $19,873,500.00 for operations, $134,200.00 for
performance funding, and $41,600.00 for costs incurred under the
North American Indian tuition waiver.
(h) The appropriation for Jackson College is $11,373,300.00
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(h) The appropriation for Jackson College is \$11,373,300.00, \$11,258,700.00 for operations, \$67,900.00 for performance funding, and \$46,700.00 for costs incurred under the North American Indian tuition waiver.

- - (j) The appropriation for Kellogg Community College is \$9,195,800.00, \$9,056,400.00 for operations, \$60,000.00 for performance funding, and \$79,400.00 for costs incurred under the North American Indian tuition waiver.
- (k) The appropriation for Kirtland Community College is

 \$3,016,600.00, \$2,940,500.00 for operations, \$41,500.00 for

 performance funding, and \$34,600.00 for costs incurred under the

 North American Indian tuition waiver.
 - (1) The appropriation for Lake Michigan College is \$5,074,900.00, \$5,028,600.00 for operations, \$35,000.00 for performance funding, and \$11,300.00 for costs incurred under the North American Indian tuition waiver.
- (m) The appropriation for Lansing Community College is

 \$29,324,000.00, \$28,992,800.00 for operations, \$177,300.00 for

 performance funding, and \$153,900.00 for costs incurred under the

 North American Indian tuition waiver.
- 28 (n) The appropriation for Macomb Community College is
 29 \$30,470,600.00, \$30,227,700.00 for operations, \$206,900.00 for

- performance funding, and \$36,000.00 for costs incurred under the 1 2 North American Indian tuition waiver. (o) The appropriation for Mid Michigan Community College is 3 \$4,743,500.00, \$4,528,800.00 for operations, \$74,600.00 for 4 performance funding, and \$140,100.00 for costs incurred under the 5 6 North American Indian tuition waiver. 7 (p) The appropriation for Monroe County Community College is 8 \$4,215,200.00, \$4,179,000.00 for operations, \$35,300.00 for 9 performance funding, and \$900.00 for costs incurred under the North 10 American Indian tuition waiver. 11 (g) The appropriation for Montcalm Community College is \$3,176,100.00, \$3,144,500.00 for operations, \$25,900.00 for 12 performance funding, and \$5,700.00 for costs incurred under the 13 14 North American Indian tuition waiver. (r) The appropriation for C.S. Mott Community College is 15
- 16 \$14,610,900.00, \$14,496,100.00 for operations, \$101,400.00 for
 17 performance funding, and \$13,400.00 for costs incurred under the
 18 North American Indian tuition waiver.
 19 (s) The appropriation for Muskegon Community College is
 20 \$8,325,300.00, \$8,195,900.00 for operations, \$52,100.00 for

22 North American Indian tuition waiver.

(t) The appropriation for North Central Michigan College is \$3,187,300.00, \$2,981,700.00 for operations, \$27,700.00 for performance funding, and \$177,900.00 for costs incurred under the North American Indian tuition waiver.

performance funding, and \$77,300.00 for costs incurred under the

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1 North American Indian tuition waiver.

2 (v) The appropriation for Oakland Community College is

3 \$19,746,000.00, \$19,563,700.00 for operations, \$158,600.00 for

4 performance funding, and \$23,700.00 for costs incurred under the

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5 North American Indian tuition waiver.

- 6 (w) The appropriation for Schoolcraft College is
- 7 \$11,784,200.00, \$11,614,500.00 for operations, \$102,700.00 for
- 8 performance funding, and \$67,000.00 for costs incurred under the
- 9 North American Indian tuition waiver.
- 10 (x) The appropriation for Southwestern Michigan College is
- 11 \$6,236,900.00, \$6,155,700.00 for operations, \$41,500.00 for
- 12 performance funding, and \$39,700.00 for costs incurred under the
- 13 North American Indian tuition waiver.
- 14 (y) The appropriation for St. Clair County Community College
- 15 is \$6,566,000.00, \$6,508,200.00 for operations, \$49,300.00 for
- 16 performance funding, and \$8,500.00 for costs incurred under the
- 17 North American Indian tuition waiver.
- 18 (z) The appropriation for Washtenaw Community College is
- 19 \$12,334,000.00, \$12,191,500.00 for operations, \$111,500.00 for
- 20 performance funding, and \$31,000.00 for costs incurred under the
- 21 North American Indian tuition waiver.
- 22 (aa) The appropriation for Wayne County Community College is
- 23 \$15,630,100.00, \$15,502,900.00 for operations, \$118,700.00 for
- 24 performance funding, and \$8,500.00 for costs incurred under the
- 25 North American Indian tuition waiver.
- 26 (bb) The appropriation for West Shore Community College is
- 27 \$2,315,600.00, \$2,278,500.00 for operations, \$17,300.00 for
- 28 performance funding, and \$19,800.00 for costs incurred under the
- 29 North American Indian tuition waiver.



1	(3) The amount appropriated in subsection (2) for community
2	college operations is \$289,200,000.00 and is appropriated from the
3	state school aid fund.
4	(4) From the appropriations described in subsection (1), both
5	of the following apply:
6	(a) Subject to section 207a, the amount appropriated for
7	fiscal year 2019-2020 to offset certain fiscal year 2019-2020
8	retirement contributions is \$1,733,600.00, appropriated from the

- (b) For fiscal year 2019-2020, there is allocated an amount not to exceed \$12,212,000.00 for payments to participating community colleges, appropriated from the state school aid fund. A community college that receives money under this subdivision shall use that money solely for the purpose of offsetting the normal cost contribution rate.
- (5) From the appropriations described in subsection (1), subject to section 207b, the amount appropriated for payments to community colleges that are participating entities of the retirement system is \$73,100,000.00, appropriated from the state school aid fund.
- (6) From the appropriations described in subsection (1), subject to section 207c, the amount appropriated for renaissance zone tax reimbursements is \$2,200,000.00, appropriated from the state school aid fund.
- (7) If the department of technology, management, and budget determines that this state has overpaid the amount of operations and performance funding allocated to a community college under this article, the department shall establish as a receivable the amount of overpayment and shall recoup the amount from the community

 state school aid fund.

1 college in subsequent monthly apportionments of operations and

2 performance funding. The full amount of overpayment must be

- 3 recouped within 1 fiscal year.
- 4 Sec. 201a. It is the intent of the legislature to provide
- 5 appropriations for the fiscal year ending on September 30, $\frac{2021}{1000}$
- 6 2022 for the items listed in section 201. The fiscal year 2020-2021
- 7 2021-2022 appropriations are anticipated to be the same as those
- 8 for fiscal year $\frac{2019-2020}{2000}$, $\frac{2020-2021}{2000}$, except that the amounts will
- 9 be adjusted for changes in retirement costs, caseload and related
- 10 costs, federal fund match rates, economic factors, and available
- 11 revenue. These adjustments will be determined after the January
- 12 2020 2021 consensus revenue estimating conference. For fiscal year
- 14 Michigan public school employee retirement system is projected to
- 15 be \$98,506,600.00.\$100.00.
- Sec. 236. (1)—Subject to the conditions set forth in this
- 17 article, the amounts listed in this section are appropriated for
- 18 higher education for the fiscal year ending September 30, 2020,
- 19 2021, from the funds indicated in this section. The following is a
- 20 summary of the appropriations in this section and 236q:
- 21 (a) The gross appropriation is \$1,691,395,000.00. \$100.00.
- 22 After deducting total interdepartmental grants and
- 23 intradepartmental transfers in the amount of \$0.00, the adjusted
- 24 gross appropriation is \$1,691,395,000.00.\$100.00.
- 25 (b) The sources of the adjusted gross appropriation described
- 26 in subdivision (a) are as follows:
- 27 (i) Total federal revenues, $\frac{297,753,000.00.}{90.00}$.
- 28 (ii) Total local revenues, \$0.00.
- 29 (iii) Total private revenues, \$0.00.



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(iv) Total other state restricted revenues.
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    $185,692,700.00.$100.00.
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          (v) State general fund/general purpose money,
    $1,207,949,300.00.$0.00.
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 5
          (2) Amounts appropriated for public universities are as
 6
    follows:
 7
          (a) The appropriation for Central Michigan University is
 8
    $79,406,800.00, $77,335,600.00 for operations, $473,100.00 for
 9
    performance funding, and $1,598,100.00 for costs incurred under the
    North American Indian tuition waiver.
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          (b) The appropriation for Eastern Michigan University is
    $68,897,800.00, $68,207,300.00 for operations, $388,200.00 for
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    performance funding, and $302,300.00 for costs incurred under the
    North American Indian tuition waiver.
14
          (c) The appropriation for Ferris State University is
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    $49,865,900.00, $48,598,300.00 for operations, $260,300.00 for
16
    performance funding, and $1,007,300.00 for costs incurred under the
17
    North American Indian tuition waiver.
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          (d) The appropriation for Grand Valley State University is
    $65,284,000.00, $63,735,600.00 for operations, $473,400.00 for
20
    performance funding, and $1,075,000.00 for costs incurred under the
21
22
    North American Indian tuition waiver.
          (e) The appropriation for Lake Superior State University is
23
    $12,858,400.00, $11,853,200.00 for operations, $51,200.00 for
24
    performance funding, and $954,000.00 for costs incurred under the
25
26
    North American Indian tuition waiver.
27
          (f) The appropriation for Michigan State University is
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    $321,670,300.00, $253,773,700.00 for operations, $1,355,500.00 for
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performance funding, \$1,467,700.00 for costs incurred under the

- 1 North American Indian tuition waiver, \$34,937,300.00 for MSU
- 2 AgBioResearch, and \$30,136,100.00 for MSU Extension.
- 3 (g) The appropriation for Michigan Technological University is

- 4 \$44,953,000.00, \$44,250,000.00 for operations, \$236,500.00 for
- 5 performance funding, and \$466,500.00 for costs incurred under the
- 6 North American Indian tuition waiver.
- 7 (h) The appropriation for Northern Michigan University is
- 8 \$43,550,900.00, \$42,244,100.00 for operations, \$206,800.00 for
- 9 performance funding, and \$1,100,000.00 for costs incurred under the
- 10 North American Indian tuition waiver.
- 11 (i) The appropriation for Oakland University is
- 12 \$47,476,000.00, \$46,811,300.00 for operations, \$379,600.00 for
- 13 performance funding, and \$285,100.00 for costs incurred under the
- 14 North American Indian tuition waiver.
- (j) The appropriation for Saginaw Valley State University is
- 16 \$27,380,000.00, \$27,043,100.00 for operations, \$113,000.00 for
- 17 performance funding, and \$223,900.00 for costs incurred under the
- 18 North American Indian tuition waiver.
- 19 (k) The appropriation for University of Michigan Ann Arbor
- 20 is \$286,689,000.00, \$284,363,300.00 for operations, \$1,522,200.00
- 21 for performance funding, and \$803,500.00 for costs incurred under
- 22 the North American Indian tuition waiver.
- 23 (1) The appropriation for University of Michigan Dearborn is
- 24 \$23,394,600.00, \$23,074,000.00 for operations, \$160,400.00 for
- 25 performance funding, and \$160,200.00 for costs incurred under the
- 26 North American Indian tuition waiver.
- 27 (m) The appropriation for University of Michigan Flint is
- 28 \$21,246,400.00, \$20,860,700.00 for operations, \$108,700.00 for
- 29 performance funding, and \$277,000.00 for costs incurred under the

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North American Indian tuition waiver.
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          (n) The appropriation for Wayne State University is
    $180,663,300.00, $179,461,100.00 for operations, $785,000.00 for
 3
    performance funding, and $417,200.00 for costs incurred under the
 4
    North American Indian tuition waiver.
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 6
          (o) The appropriation for Western Michigan University is
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    $99,791,300.00, $98,538,400.00 for operations, $485,000.00 for
 8
    performance funding, and $767,900.00 for costs incurred under the
 9
    North American Indian tuition waiver-
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          (3) The amount appropriated in subsection (2) for public
    universities is $1,373,127,700.00, appropriated from the following:
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12
          (a) State school aid fund, $179,441,700.00.
         (b) State general fund/general purpose money,
13
14
    $1,193,686,000.00.
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          (4) The amount appropriated for Michigan public school
16
    employees' retirement system reimbursement is $5,017,000.00,
17
    appropriated from the state school aid fund.
18
          (5) The amount appropriated for state and regional programs is
19
    $315,000.00, appropriated from general fund/general purpose money
    and allocated as follows:
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21
          (a) Higher education database modernization and conversion,
    $200,000.00.
22
23
          (b) Midwestern Higher Education Compact, $115,000.00.
24
         (6) The amount appropriated for the Martin Luther King, Jr.
25
    Cesar Chavez - Rosa Parks program is $2,691,500.00, appropriated
    from general fund/general purpose money and allocated as follows:
26
          (a) Select student support services, $1,956,100.00.
27
         (b) Michigan college/university partnership program,
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\$586,800.00.

1	(c) Morris Hood, Jr. educator development program,
2	\$148,600.00.
3	(7) Subject to subsection (8), the amount appropriated for
4	grants and financial aid is \$145,283,200.00, allocated as follows:
5	(a) State competitive scholarships, \$29,861,700.00.
6	(b) Tuition grants, \$42,021,500.00.
7	(c) Tuition incentive program, \$68,800,000.00.
8	(d) Children of veterans and officer's survivor tuition grant
9	programs, \$1,400,000.00.
10	(e) Project GEAR-UP, \$3,200,000.00.
11	(8) The money appropriated in subsection (7) for grants and
12	financial aid is appropriated from the following:
13	(a) Federal revenues under the United States Department of
14	Education, Office of Elementary and Secondary Education, GEAR-UP
15	program, \$3,200,000.00.
16	(b) Federal revenues under the social security act, temporary
17	assistance for needy families, \$130,826,400.00.
18	(c) State general fund/general purpose money, \$11,256,800.00.
19	(9) For fiscal year 2019-2020 only, in addition to the
20	allocation under subsection (4), from the appropriations described
21	in subsection (1), there is allocated an amount not to exceed
22	\$1,234,000.00 for payments to participating public universities,
23	appropriated from the state school aid fund. A university that
24	receives money under this subsection shall use that money solely
25	for the purpose of offsetting the normal cost contribution rate. As
26	used in this subsection, "participating public universities" means
27	public universities that are a reporting unit of the Michigan
28	<pre>public school employees' retirement system under the public school</pre>
29	employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to



38.1437, and that pay contributions to the Michigan public school 1 2 employees' retirement system for the state fiscal year. (10) If the department of technology, management, and budget 3 4 determines that this state has overpaid the amount of operations 5 and performance funding allocated to a university under this 6 article, the department shall establish as a receivable the amount 7 of overpayment and shall recoup the amount from the university in 8 subsequent monthly apportionments of operations and performance funding. The full amount of overpayment must be recouped within 1 9 fiscal year. 10 11 Sec. 236a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2021 12 13 **2022** for the items listed in section 236. The fiscal year $\frac{2020-2021}{1}$ 14 2021-2022 appropriations are anticipated to be the same as those 15 for fiscal year 2019-2020, **2020-2021**, except that the amounts will 16 be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These 17 adjustments will be determined after the January 2020-2021 18 19 consensus revenue estimating conference. For fiscal year 2020-2021, 20 2021-2022, the amount appropriated for Michigan public school employees' retirement system reimbursement is projected to be 21 \$7,264,000.00.\$100.00. 22

