

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5503**

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 2023 PA 320 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, 2023,~~
2 ~~there is appropriated for the public schools of this state and~~
3 ~~certain other state purposes relating to education the sum of~~
4 ~~\$17,290,268,900.00 from the state school aid fund, the sum of~~
5 ~~\$124,350,000.00 from the general fund, an amount not to exceed~~
6 ~~\$72,000,000.00 from the community district education trust fund~~
7 ~~created under section 12 of the Michigan trust fund act, 2000 PA~~

1 ~~489, MCL 12.262, an amount not to exceed \$200,000.00 from the~~
 2 ~~school transportation fund created under section 22k, an amount not~~
 3 ~~to exceed \$25,000,000.00 from the school meals reserve fund created~~
 4 ~~under section 30e, and an amount not to exceed \$140,400,000.00 from~~
 5 ~~the MPERS retirement obligation reform reserve fund created under~~
 6 ~~section 147b. For the fiscal year ending September 30, 2024, 2025,~~
 7 there is appropriated for the public schools of this state and
 8 certain other state purposes relating to education the sum of
 9 ~~\$18,364,157,800.00~~ **\$200.00** from the state school aid fund, the sum
 10 of ~~\$87,900,000.00~~ **\$200.00** from the general fund, an amount not to
 11 exceed ~~\$72,000,000.00~~ **\$200.00** from the community district education
 12 trust fund created under section 12 of the Michigan trust fund act,
 13 2000 PA 489, MCL 12.262, an amount not to exceed ~~\$245,000,000.00~~
 14 **\$200.00** from the school consolidation and infrastructure fund
 15 created under section 11x, an amount not to exceed ~~\$125,000,000.00~~
 16 **\$200.00** from the school transportation fund created under section
 17 22k, an amount not to exceed ~~\$71,000,000.00~~ **\$200.00** from the
 18 enrollment stabilization fund created under section 29, an amount
 19 not to exceed ~~\$60,000,000.00~~ **\$200.00** from the school meals reserve
 20 fund created under section 30e, an amount not to exceed
 21 ~~\$18,000,000.00~~ **\$200.00** from the great start readiness program
 22 reserve fund created under section 32e, and an amount not to exceed
 23 ~~\$215,800,000.00~~ **\$200.00** from the MPERS retirement obligation
 24 reform reserve fund created under section 147b. In addition, all
 25 available federal funds are only appropriated as allocated in this
 26 article for the fiscal ~~years~~ **year** ending ~~September 30, 2023 and~~
 27 ~~September 30, 2024.~~ **2025.**

28 (2) The appropriations under this section are allocated as
 29 provided in this article. Money appropriated under this section

1 from the general fund must be expended to fund the purposes of this
2 article before the expenditure of money appropriated under this
3 section from the state school aid fund.

4 (3) Any general fund allocations under this article that are
5 not expended by the end of the fiscal year are transferred to the
6 school aid stabilization fund created under section 11a.

7 Sec. 17b. (1) Not later than October 20, November 20, December
8 20, January 20, February 20, March 20, April 20, May 20, June 20,
9 July 20, and August 20, the department shall prepare electronic
10 files of the amount to be distributed under this act in the
11 installment to the districts and intermediate districts and deliver
12 the electronic files to the state treasurer, and the state
13 treasurer shall pay the installments on each of those dates or, if
14 the date is not a business day, on the next business day following
15 that date. Except as otherwise provided in this act, the portion of
16 the district's or intermediate district's state fiscal year
17 entitlement to be included in each installment ~~shall~~**must** be 1/11.
18 A district or intermediate district shall accrue the payments
19 received in July and August to the school fiscal year ending the
20 immediately preceding June 30.

21 (2) The state treasurer shall make payment under this section
22 by drawing a warrant in favor of the treasurer of each district or
23 intermediate district for the amount payable to the district or
24 intermediate district according to the electronic files and
25 delivering the warrant to the treasurer of each district or
26 intermediate district, or if the state treasurer receives a written
27 request by the treasurer of the district or intermediate district
28 specifying an account, by electronic funds transfer to that account
29 of the amount payable to the district or intermediate district

1 according to the electronic files. The department may make
2 adjustments in payments made under this section through additional
3 payments when changes in law or errors in computation cause the
4 regularly scheduled payment to be less than the amount to which the
5 district or intermediate district is entitled ~~pursuant to~~**under**
6 this act.

7 (3) Except as otherwise provided in this act, grant payments
8 to districts and intermediate districts under this act ~~shall~~**must**
9 be paid according to the installment **payment** schedule under
10 subsection (1).

11 (4) Upon the written request of a district or intermediate
12 district and the submission of proof satisfactory to the department
13 of a need of a temporary and nonrecurring nature, the
14 superintendent, with the written concurrence of the state treasurer
15 and the state budget director, may authorize an advance release of
16 funds due a district or intermediate district under this act. An
17 advance authorized under this subsection ~~shall~~**must** not cause funds
18 to be paid to a district or intermediate district more than 30 days
19 earlier than the established payment date for those funds.