

# **NOTICE STATE PROPOSALS**

**NOVEMBER 7, 2006  
GENERAL ELECTION**

## **PROPOSAL 06-1**

### **PROPOSED CONSTITUTIONAL AMENDMENT**

**A proposal to amend the State Constitution to require that money held in conservation and recreation funds can only be used for their intended purposes. (Proposal provided under House Joint Resolution Z of 2004 – adopted by the State Legislature and filed with the Secretary of State on December 20, 2004.)**

**The proposal would add new Sections 40, 41 and 42 to Article IX of the State Constitution to read as follows:**

#### **ARTICLE IX**

Sec. 40. The Michigan conservation and recreation legacy fund is established. The state treasurer shall direct the investment of the legacy fund. The state treasurer shall establish within the legacy fund restricted accounts as authorized by this section and may establish additional subaccounts as authorized by law. The state treasurer may receive gifts, grants, bequests, or assets from any source for deposit into a particular account or subaccount. The assets of the legacy fund shall be invested as provided by law. Interest and earnings accruing from each account or subaccount shall be credited to that account or subaccount.

The forest recreation account is established as an account within the legacy fund. The forest recreation account shall consist of revenue derived from concessions, leases, contracts, and fees from recreational activities on state forestlands and other revenues as authorized by law. Money in the forest recreation account shall be expended only for the following:

- (a) The development, improvement, operation, promotion, and maintenance of forest recreation activities.
- (b) Grants to state colleges and universities to implement programs funded by the forest recreation account.
- (c) The administration of the forest recreation account.

The game and fish protection account is established as an account within the legacy fund. The game and fish protection account shall consist of revenue derived from hunting and fishing licenses, passbooks, permits, fees, concessions, leases, contracts, and activities; damages paid for the illegal taking of game and fish; revenue derived from fees, licenses, and permits related to game, game areas, and game fish; and other revenues as authorized by law. Money in the game and fish protection account shall be expended only for the following:

- (a) The development, improvement, operation, promotion, and maintenance of wildlife and fisheries programs and facilities. (356)
- (b) The acquisition of land and rights in land that support wildlife and fisheries programs.
- (c) Research to support wildlife and fisheries programs.
- (d) The enforcement and administration of the wildlife and fisheries laws of the state, including the necessary equipment and apparatus incident to the operation and enforcement of wildlife and fisheries laws.
- (e) The protection, propagation, distribution, and control of wildlife and fish.
- (f) Grants to state colleges and universities to implement programs funded by the game and fish protection account.
- (g) The administration of the game and fish protection account, which may include payments in lieu of taxes on state owned land that has been or will be purchased through the game and fish protection fund or account.

The off-road vehicle account is established as an account within the legacy fund. The off-road vehicle account shall consist of revenue derived from fees imposed upon the use or registration of off-road vehicles and other revenues as authorized by law. Money in the off-road vehicle account shall be expended only for the following:

- (a) Signage for and the improvement, maintenance, and construction of off-road vehicle trails, routes, or areas.
- (b) The administration and enforcement of state regulations related to off-road vehicles.
- (c) The leasing of land for use by off-road vehicles.
- (d) The acquisition of easements, permits, or other agreements for the use of land for off-road vehicle trails, routes, or areas.
- (e) The restoration of any of the natural resources of the state on public land that are damaged due to off-road vehicle use.
- (f) Safety education programs related to the operation of off-road vehicles.
- (g) Other uses as provided by law as long as the uses are consistent with the development, improvement, operation, promotion, and maintenance of the state's off-road vehicle programs.
- (h) Grants to state colleges and universities to implement programs funded by the off-road vehicle account.
- (i) The administration of the off-road vehicle account.

The recreation improvement account is established as an account within the legacy fund. The recreation improvement account shall consist of all tax revenue derived from the sale of two percent of the gasoline sold in this state for consumption in internal combustion engines and other revenues as authorized by law. Money in the recreation improvement account shall be distributed as follows:

- (a) Eighty percent of the money shall be annually transferred to the waterways account to be used for the purposes of that account.
- (b) Fourteen percent of the money shall be annually transferred to the snowmobile account to be used for the purposes of that account.
- (c) The remainder of the money that is not transferred under this section shall be used, upon appropriation, for recreation projects, including grants to state colleges and universities to implement recreation projects, and for the administration of the recreation improvement account. Of the amount that is credited to recreational projects in a fiscal year, not less than twenty-five percent of any funds designated for projects intended for off-road vehicles shall be expended on projects to repair damages as a result of pollution, impairment, or destruction of air, water, or other natural resources, or the public trust, in air, water, or other natural resources, as a result of the use of off-road vehicles.

The snowmobile account is established as an account within the legacy fund. The snowmobile account shall consist of revenue derived from fees imposed for the registration or use of snowmobiles; revenue derived from the use of snowmobile trails; transfers from the recreation improvement account; and other revenues as authorized by law. Money in the snowmobile account shall be expended only for the following:

- (a) Planning, construction, maintenance, and acquisition of trails and areas for the use of snowmobiles.
- (b) Providing access to trails and areas for the use of snowmobiles.
- (c) Providing basic snowmobile facilities.
- (d) The administration and enforcement of state regulations related to snowmobiles.
- (e) Safety education programs related to the operation of snowmobiles.
- (f) Other uses as provided by law as long as the uses are consistent with the development, improvement, operation, promotion, and maintenance of the state's snowmobile programs.
- (g) Grants to state colleges and universities to implement programs funded by the snowmobile account.
- (h) The administration of the snowmobile account, which may include payments in lieu of taxes on state owned land that has been or will be purchased through the recreational snowmobile trail improvement fund or snowmobile account.

The state park improvement account is established as an account within the legacy fund. The state park improvement account shall consist of revenue derived from concessions, leases, contracts, fees, and permits for activities in state parks and recreation areas; damages paid to the state for illegal activities in state parks and recreation areas; and other revenues as authorized by law. Money in the state park improvement account shall be expended only for the following:

- (a) The development, improvement, operation, promotion, and maintenance of state parks and recreation areas.
- (b) Grants to state colleges and universities to implement programs funded by the state park improvement account.
- (c) The administration of the state park improvement account.

The waterways account is established as an account within the legacy fund. The waterways account shall consist of revenue derived from watercraft registration fees assessed on the ownership or operation of watercraft in the state; revenue derived from fees charged for the moorage of watercraft at state-operated mooring facilities; revenue derived from fees charged for the use of state-operated public access sites; transfers from the recreation improvement account; all tax revenue derived from the sale of diesel fuel in this state that is used to generate power for the operation or propulsion of vessels on the waterways of the state; and other revenues as authorized by law. Money in the waterways account shall be expended only for the following:

- (a) The construction, operation, and maintenance of recreational boating facilities that provide public access to waterways or moorage of watercraft.
- (b) The acquisition of property for the purpose of paragraph (a).
- (c) Grants to local units of government and state colleges and universities for the provision of public access or moorage of watercraft and law enforcement or boating education to recreational watercraft operators.
- (d) The acquisition and development of harbors and public access sites.
- (e) The enforcement of laws related to the operation of watercraft and education related to the operation of watercraft. Not less than forty-nine percent of revenues from watercraft registration fees received by the waterways account shall be used for the purposes of this subdivision.
- (f) The administration of programs funded by the waterways account.

(g) Other uses as provided by law as long as the uses are consistent with the development, improvement, operation, promotion, and maintenance of the state's waterways programs.

(h) The administration of the waterways account, which may include payments in lieu of taxes on state owned land that has been or will be purchased through the Michigan state waterways fund or waterways account.

The legislature shall provide by law for the implementation of this section.

Sec. 41. The Michigan game and fish protection trust fund is established. The Michigan game and fish protection trust fund shall consist of revenue derived from bonuses, rentals, delayed rentals, royalties, and other revenues collected or reserved by the state under leases or direct sale contracts accruing from state owned lands acquired with money from state or federal game and fish protection funds or revenues accruing from lands purchased with such revenues. The Michigan game and fish protection trust fund may also receive gifts, grants, bequests, or assets from any source and may receive other revenues as authorized by law.

The assets of the Michigan game and fish protection trust fund shall be invested as provided by law. The interest and earnings from these investments shall be credited to the Michigan game and fish protection trust fund.

The accumulated interest and earnings of the Michigan game and fish protection trust fund and not more than \$6,000,000.00 of the principal of the Michigan game and fish protection trust fund may be expended in any year for the purposes of the game and fish protection account of the Michigan conservation and recreation legacy fund established in section 40.

The legislature shall provide by law for the implementation of this section.

Sec. 42. The Michigan nongame fish and wildlife trust fund is established. The Michigan nongame fish and wildlife trust fund shall consist of revenue designated by a member of the public for the benefit of nongame fish and wildlife.

The Michigan nongame fish and wildlife trust fund may also receive gifts, grants, bequests, or assets from any source and may receive other revenues as authorized by law.

The assets of the Michigan nongame fish and wildlife trust fund shall be invested as provided by law. The interest and earnings from these investments shall be credited to the Michigan nongame fish and wildlife trust fund.

The Michigan nongame fish and wildlife trust fund shall maintain a principal balance of not less than \$6,000,000.00.

The interest and earnings of the Michigan nongame fish and wildlife trust fund and other revenues not retained on a permanent basis shall be expended only for the following:

- (a) The management of nongame fish and wildlife species consistent with a long-range plan for the management of Michigan's nongame fish and wildlife resources.
- (b) Grants to state colleges and universities to implement programs funded by the Michigan nongame fish and wildlife trust fund.
- (c) The administration of the Michigan nongame fish and wildlife trust fund.

The following is the official ballot wording:

## PROPOSAL 06-1

### **A PROPOSED CONSTITUTIONAL AMENDMENT TO REQUIRE THAT MONEY HELD IN CONSERVATION AND RECREATION FUNDS CAN ONLY BE USED FOR THEIR INTENDED PURPOSES**

The proposed constitutional amendment would:

- Create a Conservation and Recreation Legacy Fund within the Constitution and establish existing conservation and recreation accounts as components of the fund.
- Use current funding sources such as state park entrance and camping fees; snowmobile, ORV and boating registration fees; hunting and fishing license fees; taxes and other revenues to fund accounts.
- Establish the current Game and Fish Protection Fund and the Nongame Fish and Wildlife Fund within the Constitution.
- Provide that money held in Funds can only be used for specific purposes related to conservation and recreation and cannot be used for any purpose other than those intended.

Should this proposal be adopted?

Yes

No

## PROPOSAL 06-2

### **PROPOSED CONSTITUTIONAL AMENDMENT**

**A proposal to amend the State Constitution to ban affirmative action programs that give preferential treatment to groups or individuals based on their race, gender, color, ethnicity or national origin for public employment, education or contracting purposes. (Proposal provided under an initiative petition filed with the Secretary of State on January 6, 2005.)**

**The proposal would add a new Section 26 to Article I of the State Constitution to read as follows:**

#### **ARTICLE I**

Sec. 26. (1) The University of Michigan, Michigan State University, Wayne State University, and any other public college or university, community college, or school district shall not discriminate against, or

grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.

(2) The state shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.

(3) For the purposes of this section "state" includes, but is not necessarily limited to, the state itself, any city, county, any public college, university, or community college, school district, or other political subdivision or governmental instrumentality of or within the State of Michigan not included in subsection 1.

(4) This section does not prohibit action that must be taken to establish or maintain eligibility for any federal program, if ineligibility would result in a loss of federal funds to the state.

(5) Nothing in this section shall be interpreted as prohibiting bona fide qualifications based on sex that are reasonably necessary to the normal operation of public employment, public education, or public contracting.

(6) The remedies available for violations of this section shall be the same, regardless of the injured party's race, sex, color, ethnicity, or national origin, as are otherwise available for violations of Michigan anti-discrimination law.

(7) This section shall be self-executing. If any part or parts of this section are found to be in conflict with the United States Constitution or federal law, the section shall be implemented to the maximum extent that the United States Constitution and federal law permit. Any provision held invalid shall be severable from the remaining portions of this section.

(8) This section applies only to action taken after the effective date of this section.

(9) This section does not invalidate any court order or consent decree that is in force as of the effective date of this section.

The following is the official ballot wording:

## PROPOSAL 06-2

### **A PROPOSAL TO AMEND THE STATE CONSTITUTION TO BAN AFFIRMATIVE ACTION PROGRAMS THAT GIVE PREFERENTIAL TREATMENT TO GROUPS OR INDIVIDUALS BASED ON THEIR RACE, GENDER, COLOR, ETHNICITY OR NATIONAL ORIGIN FOR PUBLIC EMPLOYMENT, EDUCATION OR CONTRACTING PURPOSES**

The proposed constitutional amendment would:

- Ban public institutions from using affirmative action programs that give preferential treatment to groups or individuals based on their race, gender, color, ethnicity or national origin for public employment, education or contracting purposes. Public institutions affected by the proposal include state government, local governments, public colleges and universities, community colleges and school districts.
- Prohibit public institutions from discriminating against groups or individuals due to their gender, ethnicity, race, color or national origin. (A separate provision of the state constitution already prohibits discrimination on the basis of race, color or national origin.)

Should this proposal be adopted?

Yes

No

## PROPOSAL 06-3

### **REFERENDUM ON LEGISLATION**

**A referendum on Public Act 160 of 2004 – an Act to allow the establishment of a hunting season for mourning doves. (Proposal provided under a referendum petition filed with the Secretary of State on March 28, 2005.)**

**The following is the language of Public Act 160 of 2004. Words deleted from existing law under Public Act 160 of 2004 are crossed out; words added to existing law under Public Act 160 of 2004 are in capital letters.**

#### **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

Sec. 40103. (1) “Game” means any of the following animals but does not include privately owned cervidae species located on a registered cervidae livestock facility as that term is defined in the privately owned cervidae producers marketing act:

- (a) Badger.
- (b) Bear.

- (c) Beaver.
- (d) Bobcat.
- (e) Brant.
- (f) Coot.
- (g) Coyote.
- (h) Crow.
- (i) Deer.
- (j) Duck.
- (k) Elk.
- (l) Fisher.
- (m) Florida gallinule.
- (n) Fox.
- (o) Geese.
- (p) Hare.
- (q) Hungarian partridge.
- (r) Marten.
- (s) Mink.
- (t) Moose.
- (u) MOURNING DOVE.
- (v) ~~(u)~~ Muskrat.
- (w) ~~(v)~~ Opossum.
- (x) ~~(w)~~ Otter.
- (y) ~~(x)~~ Pheasant.
- (z) ~~(y)~~ Quail.
- (aa) ~~(z)~~ Rabbit.
- (bb) ~~(aa)~~ Raccoon.
- (cc) ~~(bb)~~ Ruffed grouse.
- (dd) ~~(cc)~~ Sharptailed grouse.
- (ee) ~~(dd)~~ Skunk.
- (ff) ~~(ee)~~ Snipe.
- (gg) ~~(ff)~~ Sora rail.
- (hh) ~~(gg)~~ Squirrel.
- (ii) ~~(hh)~~ Weasel.
- (jj) ~~(ii)~~ Wild turkey.
- (kk) ~~(jj)~~ Woodchuck.
- (ll) ~~(kk)~~ Woodcock.
- (mm) ~~(ll)~~ Virginia rail.

(2) "Interim order of the department" means an order of the department issued under section 40108.

(3) "Kind" means an animal's sex, age, or physical characteristics.

(4) "Normal agricultural practices" means generally accepted agricultural and management practices as defined by the commission of agriculture.

(5) "Open season" means the dates during which game may be legally taken.

(6) "Parts" means any or all portions of an animal, including the skin, plumage, hide, fur, entire body, or egg of an animal.

(7) "Protected" or "protected animal" means an animal or kind of animal that is designated by the department as an animal that shall not be taken.

(8) "Residence" means a permanent building serving as a temporary or permanent home. Residence may include a cottage, cabin, or mobile home, but does not include a structure designed primarily for taking game, a tree blind, a tent, a recreational or other vehicle, or a camper.



SEC. 40110A. (1) THE LEGISLATURE HEREBY AUTHORIZES THE ESTABLISHMENT OF THE FIRST OPEN SEASON FOR MOURNING DOVES. THE COMMISSION MAY ISSUE ORDERS PERTAINING TO MOURNING DOVES FOR EACH OF THE PURPOSES LISTED IN SECTION 40113A, INCLUDING, BUT NOT LIMITED TO, ORDERS ESTABLISHING THE FIRST OPEN SEASON FOR MOURNING DOVES.

(2) A PERSON SHALL NOT HUNT MOURNING DOVES UNLESS, IN ADDITION TO THE SMALL GAME LICENSE REQUIRED BY SECTION 43523, THE PERSON HAS A CURRENT MOURNING DOVE STAMP. THE FORMAT OF THE MOURNING DOVE STAMP SHALL BE PRESCRIBED BY THE DEPARTMENT. THE FEE FOR A MOURNING DOVE STAMP IS \$2.00.

(3) THE DEPARTMENT SHALL TRANSMIT MONEY RECEIVED FROM THE SALE OF MOURNING DOVE STAMPS TO THE STATE TREASURER. THE STATE TREASURER SHALL DEPOSIT THE MONEY AS FOLLOWS:

(A) FIFTY PERCENT IN THE GAME AND FISH PROTECTION FUND CREATED IN SECTION 43553.

(B) FIFTY PERCENT IN THE NONGAME FISH AND WILDLIFE TRUST FUND CREATED IN SECTION 43902.

(4) IN THE ANNUAL HUNTING GUIDE AVAILABLE FROM PERSONS AUTHORIZED TO SELL LICENSES UNDER PART 435, THE DEPARTMENT SHALL INCLUDE INFORMATION ON ALL OF THE FOLLOWING:

(A) HOW HUNTERS CAN DISTINGUISH MOURNING DOVES FROM OTHER BIRDS.

(B) MANAGEMENT PRACTICES FOR THE PROPAGATION OF MOURNING DOVES.

(C) HOW MOURNING DOVE HUNTING IS CONDUCTED ETHICALLY, LAWFULLY, AND SAFELY.

(D) SPECIAL OPPORTUNITIES MOURNING DOVE HUNTING OFFERS TO YOUTH, THE ELDERLY, AND THE DISABLED.

The following is the official ballot wording:

### **PROPOSAL 06-3**

#### **A REFERENDUM ON PUBLIC ACT 160 OF 2004 – AN ACT TO ALLOW THE ESTABLISHMENT OF A HUNTING SEASON FOR MOURNING DOVES**

Public Act 160 of 2004 would:

- Authorize the Natural Resources Commission to establish a hunting season for mourning doves.
- Require a mourning dove hunter to have a small game license and a \$2.00 mourning dove stamp.
- Stipulate that revenue from the stamp must be split evenly between the Game and Fish Protection Fund and the Fish and Wildlife Trust Fund.
- Require the Department of Natural Resources to address responsible mourning dove hunting; management practices for the propagation of mourning doves; and participation in mourning dove hunting by youth, the elderly and the disabled in the Department’s annual hunting guide.

Should this law be approved?

Yes

No

### **PROPOSAL 06-4**

#### **PROPOSED CONSTITUTIONAL AMENDMENT**

**A proposal to amend the State Constitution to prohibit government from taking private property by eminent domain for certain private purposes. (Proposal provided under Senate Joint Resolution E – adopted by the State Legislature and filed with the Secretary of State on December 15, 2005.)**

**The proposal would amend Section 2 of Article X of the State Constitution to read as follows:**

#### **ARTICLE X**

Sec. 2. Private property shall not be taken for public use without just compensation therefore being first made or secured in a manner prescribed by law. If private property consisting of an individual’s principal residence is taken for public use, the amount of compensation made and determined for that taking shall be not less than 125% of that property’s fair market value, in addition to any other reimbursement allowed by law. Compensation shall be determined in proceedings in a court of record.

“Public use” does not include the taking of private property for transfer to a private entity for the purpose of economic development or enhancement of tax revenues. Private property otherwise may be

taken for reasons of public use as that term is understood on the effective date of the amendment to this constitution that added this paragraph.

In a condemnation action, the burden of proof is on the condemning authority to demonstrate, by the preponderance of the evidence, that the taking of a private property is for a public use, unless the condemnation action involves a taking for the eradication of blight, in which case the burden of proof is on the condemning authority to demonstrate, by clear and convincing evidence, that the taking of that property is for a public use. (146)

Any existing right, grant, or benefit afforded to property owners as of November 1, 2005, whether provided by this section, by statute, or otherwise, shall be preserved and shall not be abrogated or impaired by the constitutional amendment that added this paragraph.

Resolved further, That the foregoing amendment shall be submitted to the people of the state at the next general election in the manner provided by law.

**Article X, Section 2, of the State Constitution now reads as follows:**

Sec. 2. Private property shall not be taken for public use without just compensation therefor being first made or secured in a manner prescribed by law. Compensation shall be determined in proceedings in a court of record.

The following is the official ballot wording:

**PROPOSAL 06-4**

**A PROPOSED CONSTITUTIONAL AMENDMENT TO PROHIBIT GOVERNMENT FROM TAKING PRIVATE PROPERTY BY EMINENT DOMAIN FOR CERTAIN PRIVATE PURPOSES**

The proposed constitutional amendment would:

- Prohibit government from taking private property for transfer to another private individual or business for purposes of economic development or increasing tax revenue.
- Provide that if an individual's principal residence is taken by government for public use, the individual must be paid at least 125% of property's fair market value.
- Require government that takes a private property to demonstrate that the taking is for a public use; if taken to eliminate blight, require a higher standard of proof to demonstrate that the taking of that property is for a public use.
- Preserve existing rights of property owners.

Should this proposal be adopted?

Yes

No

## PROPOSAL 06-5

### PROPOSED LEGISLATIVE AMENDMENT

**A legislative initiative to establish mandatory school funding levels. (Proposal provided under a legislative initiative petition filed with the Secretary of State on February 21, 2006.)**

**The following is the language of the proposed legislative amendment as it appeared on the legislative initiative petition. Words deleted from existing law under the proposed amendment are crossed out; words added to existing law under the proposed amendment are in capital letters.**

#### THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

##### Title

An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state, to make appropriations for certain other purposes relating to education, to provide for the disbursement of the appropriations. TO ESTABLISH MINIMUM FUNDING FOR THE PUBLIC SCHOOLS, THE INTERMEDIATE SCHOOL DISTRICTS, THE COMMUNITY COLLEGES, THE PUBLIC UNIVERSITIES, AND THE INDEPENDENT NONPROFIT COLLEGES OR UNIVERSITIES OF THIS STATE; to supplement the school aid fund by the levy and collection of certain taxes, to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts.

Sec. 11. (1) ~~In addition to all other appropriations under this act for that fiscal year, for the fiscal year ending September 30, 2004, there is appropriated to the state school aid fund from the unreserved balance in the general fund an amount equal to any deficit balance that would otherwise exist in the state school aid fund at bookclosing for the fiscal year ending September 30, 2004. For the fiscal year ending September 30, 2005 2007, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$10,909,200,000.00 from the state school aid fund established by section 11 of article IX of the state constitution of 1963 and the sum of \$264,700,000.00 from the general fund~~ FROM THE STATE SCHOOL AID FUND THE SUM NECESSARY TO FULFILL THE REQUIREMENTS OF THIS ACT, AND ANY DEFICIENCY IS APPROPRIATED FROM THE GENERAL FUND. In addition, available federal funds are appropriated for each of those fiscal years THAT FISCAL YEAR.

(2) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, THE TOTAL AMOUNT APPROPRIATED UNDER THIS ACT FROM STATE FUNDS SHALL NOT BE LESS THAN THE TOTAL AMOUNT APPROPRIATED UNDER THIS ACT FROM STATE FUNDS FOR THE 2004-2005 STATE FISCAL YEAR, ADJUSTED BY THE PERCENTAGE INCREASE IN THE GENERAL PRICE LEVEL FROM THE 2004 CALENDAR YEAR TO THE 2006 CALENDAR YEAR. FOR EACH STATE FISCAL YEAR AFTER THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, THE TOTAL AMOUNT APPROPRIATED UNDER THIS ACT FROM STATE FUNDS SHALL BE INCREASED FROM THE TOTAL AMOUNT FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR BY THE PERCENTAGE INCREASE IN THE GENERAL PRICE LEVEL FOR THE CALENDAR YEAR ENDING IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR. AS

USED IN THIS SUBSECTION, "GENERAL PRICE LEVEL" MEANS THE CONSUMER PRICE INDEX FOR THE UNITED STATES AS DEFINED AND OFFICIALLY REPORTED BY THE UNITED STATES DEPARTMENT OF LABOR OR ITS SUCCESSOR AGENCY.

(3) ~~(2)~~ The appropriations under this section shall be allocated as provided in this act. Money appropriated under this section from the general fund shall be expended to fund the purposes of this act before the expenditure of money appropriated under this section from the state school aid fund. If the ~~maximum amount appropriated~~ AMOUNT AVAILABLE FOR APPROPRIATION under this section from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a.

~~(3) If the maximum amount appropriated under this section from the state school aid fund and the school aid stabilization fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 31d, 51a(2), 51a(12), 51e, 53a, and 56 shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or \$5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (4). Subject to subsection (5), if proration is necessary after 2002-2003, state payments under each of the other sections of this act from all state funding sources shall be prorated in the manner prescribed in subsection (4) as necessary to reflect the amount available for expenditure from the state school aid fund for the affected fiscal year. However, if the department of treasury determines that proration will be required under this subsection, or if the department of treasury determines that further proration is required under this subsection after an initial proration has already been made for a fiscal year, the department of treasury shall notify the state budget director, and the state budget director shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this act because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the state budget director, the department shall not reduce any payments under this act because of proration under this subsection. The legislature may prevent proration from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the state budget director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to fund the amount of the projected shortfall.~~

~~(4) Subject to subsection (5), if proration is necessary, the department shall calculate the proration in district and intermediate district payments that is required under subsection (3) as follows:~~

~~(a) The department shall calculate the percentage of total state school aid allocated under this act for the affected fiscal year for each of the following:~~

~~(i) Districts.~~

~~(ii) Intermediate districts.~~

~~(iii) Entities other than districts or intermediate districts.~~

~~(b) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(i) for districts by reducing payments to districts. This reduction shall be made by calculating an equal dollar amount per pupil as necessary to recover this percentage of the proration amount and reducing each district's total state school aid from state sources, other than payments under sections 11f, 11g, 11j, 22a, 26a, 31d, 51a(2), 51a(12), 51e, and 53a, by that amount.~~

~~(c) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(ii) for intermediate districts by reducing payments to intermediate districts. This reduction shall be made by reducing the payments to each~~

~~intermediate district, other than payments under sections 11f, 11g, 26a, 51a(2), 51a(12), 53a, and 56, on an equal percentage basis.~~

~~(d) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(iii) for entities other than districts and intermediate districts by reducing payments to these entities. This reduction shall be made by reducing the payments to each of these entities, other than payments under sections 11j and 26a, on an equal percentage basis.~~

~~(5) Beginning in 2004-2005, if a district has an emergency financial manger in place under the local government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291, payments to that district are not subject to proration under this section.~~

~~(4)(6) Except for the allocation under section 26a, any general fund allocations under this act that are not expended by the end of the state fiscal year are transferred to the state school aid fund. If it is determined at the May 2005 revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, that there is additional school aid fund revenue beyond that determined at the May 2004 revenue estimating conference, then it is the intent of the legislature to enact legislation to fund, to the extent that revenues are available, the same programs in the same amount that were funded under section 81 in 2003 PA 236 and the same pupil membership formula as in effect under 2003 PA 236.~~

SEC. 12. (1) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, THE AMOUNT OF THE BASIC FOUNDATION ALLOWANCE AS CALCULATED UNDER SECTION 20 AND THE AMOUNTS ALLOCATED UNDER SECTIONS 22A, 22B, 31A, 51A, 51C, AND 81, RESPECTIVELY, SHALL NOT BE LESS THAN THOSE AMOUNTS AS ORIGINALLY ENACTED FOR THE 2004-2005 STATE FISCAL YEAR BEFORE ANY PRORATION, ADJUSTED BY THE PERCENTAGE INCREASE IN THE GENERAL PRICE LEVEL FROM THE 2004 CALENDAR YEAR TO THE 2006 CALENDAR YEAR. FOR EACH STATE FISCAL YEAR AFTER THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, THE AMOUNT OF THE BASIC FOUNDATION ALLOWANCE AS CALCULATED UNDER SECTION 20 AND THE AMOUNTS ALLOCATED UNDER SECTIONS 22A, 22B, 31A, 51A, 51C, AND 81, RESPECTIVELY, SHALL BE INCREASED FROM THOSE AMOUNTS FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR BY THE PERCENTAGE INCREASE IN THE GENERAL PRICE LEVEL FOR THE CALENDAR YEAR ENDING IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.

(2) AS USED IN THIS SECTION, THE MEMBERSHIP FIGURE CALCULATED UNDER SECTION 6 IS THE GREATER OF THE FOLLOWING:

(A) THE AVERAGE OF THE DISTRICT'S MEMBERSHIP FOR THE 3-FISCAL-YEAR PERIOD ENDING WITH THAT FISCAL YEAR, CALCULATED BY ADDING THE DISTRICT'S ACTUAL MEMBERSHIP FOR EACH OF THOSE 3 FISCAL YEARS, AS OTHERWISE CALCULATED UNDER SECTION 6, AND DIVIDING THE SUM OF THOSE 3 MEMBERSHIP FIGURES BY 3.

(B) THE DISTRICT'S ACTUAL MEMBERSHIP FOR THAT FISCAL YEAR AS OTHERWISE CALCULATED UNDER SECTION 6.

(3) CONTEMPORANEOUS WITH THE INCREASES IN THE BASIC FOUNDATION ALLOWANCE PROVIDED FOR IN SUBSECTION (1), BEGINNING WITH THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, THE LEGISLATURE SHALL DECREASE TO \$1,000 BY THE 2011-2012 FISCAL YEAR THE STATE FUNDING GAP BETWEEN THE BASIC FOUNDATION ALLOWANCE AND THE MAXIMUM FOUNDATION ALLOWANCE.

(4) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, THE GROSS APPROPRIATION FOR ALL COMMUNITY COLLEGES SHALL NOT BE LESS THAN THE GROSS APPROPRIATION FOR ALL COMMUNITY COLLEGES FOR THE 2004-2005 STATE FISCAL YEAR, AS PROVIDED BY 2004 PA 358, ADJUSTED BY THE PERCENTAGE INCREASE IN THE GENERAL PRICE LEVEL FROM THE 2004 CALENDAR YEAR TO THE 2006 CALENDAR YEAR. FOR EACH STATE FISCAL YEAR AFTER THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, THE GROSS APPROPRIATION FOR ALL COMMUNITY COLLEGES SHALL BE INCREASED

FROM THE GROSS APPROPRIATION FOR ALL COMMUNITY COLLEGES FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR BY THE PERCENTAGE INCREASE IN THE GENERAL PRICE LEVEL FOR THE CALENDAR YEAR ENDING IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.

(5) IN THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, THE GROSS APPROPRIATION FOR HIGHER EDUCATION SHALL NOT BE LESS THAN THE SUM OF THE GROSS APPROPRIATION FOR HIGHER EDUCATION FOR THE 2004-2005 STATE FISCAL YEAR, AS PROVIDED BY 2004 PA 352, ADJUSTED BY THE PERCENTAGE INCREASE IN THE GENERAL PRICE LEVEL FROM THE 2004 CALENDAR YEAR TO THE 2006 CALENDAR YEAR. FOR EACH STATE FISCAL YEAR AFTER THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, THE GROSS APPROPRIATION FOR HIGHER EDUCATION SHALL BE INCREASED FROM THE GROSS APPROPRIATION FOR HIGHER EDUCATION FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR BY THE PERCENTAGE INCREASE IN THE GENERAL PRICE LEVEL FOR THE CALENDAR YEAR ENDING IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.

(6) AS USED IN THIS SECTION:

(A) "COMMUNITY COLLEGE" MEANS A COMMUNITY COLLEGE ORGANIZED UNDER THE COMMUNITY COLLEGE ACT OF 1966, 1966 PA 331, MCL 389.1 TO 389.195, OR ESTABLISHED UNDER PART 25 OF THE REVISED SCHOOL CODE, MCL 380.1601 TO 380.1607.

(B) "GENERAL PRICE LEVEL" MEANS THE CONSUMER PRICE INDEX FOR THE UNITED STATES AS DEFINED AND OFFICIALLY REPORTED BY THE UNITED STATE DEPARTMENT OF LABOR OR ITS SUCCESSOR AGENCY.

SEC. 147A.(1) OF ALL OF THE TOTAL PERCENTAGE POINTS DETERMINED AND ASSIGNED TO REPORTING UNITS PURSUANT TO THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1408, AND ALLOCATED TO REPORTING UNITS UNDER SECTION 147 OR OTHERWISE OFFICIALLY COMMUNICATED TO REPORTING UNITS, EACH REPORTING UNIT IS RESPONSIBLE FOR PAYING FROM ITS GENERAL OPERATING FUNDS 80% OF THE TOTAL PERCENTAGE POINTS OR 14.87%, WHICHEVER IS LESS. EACH REPORTING UNIT SHALL PAY THE REMAINING BALANCE OF THE TOTAL PERCENTAGE POINTS TO THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FROM FUNDS APPROPRIATED TO THE REPORTING UNITS FOR THIS PURPOSE UNDER SUBSECTION (2).

(2) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, IN ADDITION TO THE GENERAL FUND MONEY APPROPRIATED UNDER SECTION 11, THERE IS APPROPRIATED FROM THE GENERAL FUND TO THE REPORTING UNITS THE SUM NECESSARY FOR PAYING THE REMAINING BALANCE OF THE TOTAL PERCENTAGE POINTS TO BE PAID BY THE REPORTING UNITS AS DESCRIBED IN SUBSECTION (1).

(3) AS USED IN THIS SECTION, "REPORTING UNIT" MEANS THAT TERM AS DEFINED IN SECTION 7 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1307.

Enacting section 1. This amendatory act shall be known as the "educational funding guarantee law".

The following is the official ballot wording:

**PROPOSAL 06-5**

**A LEGISLATIVE INITIATIVE TO ESTABLISH MANDATORY SCHOOL FUNDING LEVELS**

The proposed law would:

- Increase current funding by approximately \$565 million and require State to provide annual funding increases equal to the rate of inflation for public schools, intermediate school districts, community colleges, and higher education (includes state universities and financial aid/grant programs).
- Require State to fund any deficiencies from General Fund.
- Base funding for school districts with a declining enrollment on three-year student enrollment average.
- Reduce and cap retirement fund contribution paid by public schools, community colleges and state universities; shift remaining portion to state.
- Reduce funding gap between school districts receiving basic per-pupil foundation allowance and those receiving maximum foundation allowance.

Should this proposed law be approved?

Yes

No

**Michigan Department of State**