

SENATE BILL No. 437

April 27, 2005, Introduced by Senators VAN WOERKOM, GEORGE, JELINEK, GILBERT, PRUSI, OLSHOVE, SANBORN, ALLEN, GOSCHKA and BRATER and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending section 15 (MCL 388.1615), as amended by 2004 PA 351.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 15. (1) If a district or intermediate district fails to
2 receive its proper apportionment, the department, upon satisfactory
3 proof that the district or intermediate district was entitled
4 justly, shall apportion the deficiency in the next apportionment.
5 Subject to subsections (2) and (3), if a district or intermediate
6 district has received more than its proper apportionment, the
7 department, upon satisfactory proof, shall deduct the excess in the
8 next apportionment. Notwithstanding any other provision in this
9 act, state aid overpayments to a district, other than overpayments
10 in payments for special education or special education

1 transportation, may be recovered from any payment made under this
2 act other than a special education or special education
3 transportation payment. State aid overpayments made in special
4 education or special education transportation payments may be
5 recovered from subsequent special education or special education
6 transportation payments.

7 (2) If the result of an audit conducted by or for the
8 department affects the current fiscal year membership, affected
9 payments shall be adjusted in the current fiscal year. A deduction
10 due to an adjustment made as a result of an audit conducted by or
11 for the department, or as a result of information obtained by the
12 department from the district, an intermediate district, the
13 department of treasury, or the office of auditor general, shall be
14 deducted from the district's apportionments within the next fiscal
15 year after the fiscal year in which the adjustment is finalized. At
16 the request of the district and upon the district presenting
17 evidence satisfactory to the department of the hardship, the
18 department may grant ~~up to an additional 4 years~~ **AN ADDITIONAL**
19 **PERIOD OF TIME** for the adjustment if the district would otherwise
20 experience a significant hardship. **THIS ADDITIONAL PERIOD OF TIME**
21 **SHALL NOT EXCEED THE GREATER OF 4 YEARS OR A NUMBER OF YEARS EQUAL**
22 **TO THE NUMBER OF FISCAL YEARS FOR WHICH THE ADJUSTMENT IS BEING**
23 **MADE.**

24 (3) If, because of the receipt of new or updated data, the
25 department determines during a fiscal year that the amount paid to
26 a district or intermediate district under this act for a prior
27 fiscal year was incorrect under the law in effect for that year,

1 the department may make the appropriate deduction or payment in the
2 district's or intermediate district's allocation for the fiscal
3 year in which the determination is made. The deduction or payment
4 shall be calculated according to the law in effect in the fiscal
5 year in which the improper amount was paid.

6 (4) Expenditures made by the department under this act that
7 are caused by the write-off of prior year accruals may be funded by
8 revenue from the write-off of prior year accruals.