

HOUSE BILL No. 5568

April 24, 2012, Introduced by Reps. Hughes, Denby, Pscholka, Ouimet and Rogers and referred to the Committee on Local, Intergovernmental, and Regional Affairs.

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 2011 PA 62.

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 article, state aid overpayments to a district, other than
10 overpayments in payments for special education or special education

1 transportation, may be recovered from any payment made under this
2 article other than a special education or special education
3 transportation payment, **FROM THE PROCEEDS OF A LOAN TO THE DISTRICT**
4 **UNDER THE EMERGENCY MUNICIPAL LOAN ACT, 1980 PA 243, MCL 141.931 TO**
5 **141.942, OR FROM THE PROCEEDS OF MILLAGE LEVIED OR PLEDGED UNDER**
6 **SECTION 1211 OF THE REVISED SCHOOL CODE, MCL 380.1211.** State aid
7 overpayments made in special education or special education
8 transportation payments may be recovered from subsequent special
9 education or special education transportation payments, **FROM THE**
10 **PROCEEDS OF A LOAN TO THE DISTRICT UNDER THE EMERGENCY MUNICIPAL**
11 **LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942, OR FROM THE PROCEEDS**
12 **OF MILLAGE LEVIED OR PLEDGED UNDER SECTION 1211 OF THE REVISED**
13 **SCHOOL CODE, MCL 380.1211.**

14 (2) If the result of an audit conducted by or for the
15 department affects the current fiscal year membership, affected
16 payments shall be adjusted in the current fiscal year. A deduction
17 due to an adjustment made as a result of an audit conducted by or
18 for the department, or as a result of information obtained by the
19 department from the district, an intermediate district, the
20 department of treasury, or the office of auditor general, shall be
21 deducted from the district's apportionments when the adjustment is
22 finalized. At the request of the district and upon the district
23 presenting evidence satisfactory to the department of the hardship,
24 the department may grant up to an additional 4 years for the
25 adjustment **AND MAY ADVANCE PAYMENTS TO THE DISTRICT OTHERWISE**
26 **AUTHORIZED UNDER THIS ACT** if the **DEPARTMENT DETERMINES THAT THE**
27 district would otherwise experience a significant hardship **IN**

1 **SATISFYING ITS FINANCIAL OBLIGATIONS.**

2 (3) If, because of the receipt of new or updated data, the
3 department determines during a fiscal year that the amount paid to
4 a district or intermediate district under this act for a prior
5 fiscal year was incorrect under the law in effect for that year,
6 the department may make the appropriate deduction or payment in the
7 district's or intermediate district's allocation for the fiscal
8 year in which the determination is made. The deduction or payment
9 shall be calculated according to the law in effect in the fiscal
10 year in which the improper amount was paid. **IF THE DISTRICT DOES**
11 **NOT RECEIVE AN ALLOCATION FOR THE FISCAL YEAR OR IF THE ALLOCATION**
12 **IS NOT SUFFICIENT TO PAY THE AMOUNT OF ANY DEDUCTION, THE AMOUNT OF**
13 **ANY DEDUCTION OTHERWISE APPLICABLE SHALL BE SATISFIED FROM THE**
14 **PROCEEDS OF A LOAN TO THE DISTRICT UNDER THE EMERGENCY MUNICIPAL**
15 **LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942, OR FROM THE PROCEEDS**
16 **OF MILLAGE LEVIED OR PLEDGED UNDER SECTION 1211 OF THE REVISED**
17 **SCHOOL CODE, MCL 380.1211, AS DETERMINED BY THE DEPARTMENT.**

18 (4) Expenditures made by the department under this article
19 that are caused by the write-off of prior year accruals may be
20 funded by revenue from the write-off of prior year accruals.

21 (5) In addition to funds appropriated in section 11 for all
22 programs and services, there is appropriated for 2011-2012 for
23 obligations in excess of applicable appropriations an amount equal
24 to the collection of overpayments, but not to exceed amounts
25 available from overpayments.

26 Enacting section 1. This amendatory act does not take effect
27 unless all of the following bills of the 96th Legislature are

1 enacted into law:

2 (a) Senate Bill No.____ or House Bill No. 5566(request no.
3 04142'11 *).

4 (b) Senate Bill No.____ or House Bill No. 5567(request no.
5 05368'12 *).

6 (c) Senate Bill No.____ or House Bill No. 5569(request no.
7 05370'12 *).

8 (d) Senate Bill No.____ or House Bill No. 5570(request no.
9 05384'12 *).