

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

388.1615 Apportionment of deficiency; state aid overpayments to districts; deduction or payment due to adjustment as result of audit or information; incorrect payment; adjustments for educator certification violations; audits; funding expenditures caused by write-off of prior year accruals; additional appropriation.

Sec. 15.

(1) If a district or intermediate district fails to receive its proper apportionment, the department, upon satisfactory proof that the district or intermediate district was entitled justly, shall apportion the deficiency in the next apportionment. Subject to subsections (2) and (3), if a district or intermediate district has received more than its proper apportionment, the department, upon satisfactory proof, shall deduct the excess in the next apportionment. Notwithstanding any other provision in this article, state aid overpayments to a district, other than overpayments in payments for special education or special education transportation, may be recovered from any payment made under this article other than a special education or special education transportation payment, from the proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of the revised school code, MCL 380.1211. State aid overpayments made in special education or special education transportation payments may be recovered from subsequent special education or special education transportation payments, from the proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of the revised school code, MCL 380.1211.

(2) If the result of an audit conducted by or for the department affects the current fiscal year membership, the department shall adjust affected payments in the current fiscal year. A deduction due to an adjustment made as a result of an audit conducted by or for the department, or as a result of information obtained by the department from the district, an intermediate district, the department of treasury, or the office of auditor general, must be deducted from the district's apportionments when the adjustment is finalized. At the request of the district and upon the district presenting evidence satisfactory to the department of the hardship, the department may grant up to an additional 4 years for the adjustment and may advance payments to the district otherwise authorized under this article if the district would otherwise experience a significant hardship in satisfying its financial obligations. However, a district that presented satisfactory evidence of hardship and was undergoing an extended adjustment during 2018-2019 may continue to use the period of extended adjustment as originally granted by the department.

(3) If, based on an audit by the department or the department's designee or because of new or updated information received by the department, the department determines that the amount paid to a district or intermediate district under this article for the current fiscal year or a prior fiscal year was incorrect, the department shall make the appropriate deduction or payment in the district's or intermediate district's allocation in the next apportionment after the adjustment is finalized. The department shall calculate the deduction or payment according to the law in effect in the fiscal year in which the incorrect amount was paid. If the district does not receive an allocation for the fiscal year or if the allocation is insufficient to pay the amount of any deduction, the amount of any deduction otherwise applicable must be satisfied from the proceeds of a loan to the district under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, or from the proceeds of millage levied or pledged under section 1211 of the revised school code, MCL 380.1211, as determined by the department.

(4) If the department makes an adjustment under this section based in whole or in part on a membership audit finding that a district or intermediate district employed an educator in violation of certification requirements under the revised school code and rules promulgated by the department, the department shall prorate the adjustment according to the period of noncompliance with the certification requirements.

(5) The department may conduct audits, or may direct audits by designee of the department, for the current fiscal year and the immediately preceding fiscal year of all records related to a program for which a district or intermediate district has received funds under this article.

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

(7) In addition to funds appropriated in section 11 for all programs and services, there is appropriated for 2024-2025 for obligations in excess of applicable appropriations an amount equal to the collection of overpayments, but not to exceed amounts available from overpayments.

History: 1979, Act 94, Eff. Oct. 1, 1979 ;-- Am. 1980, Act 320, Imd. Eff. Dec. 10, 1980 ;-- Am. 1981, Act 36, Eff. Oct. 1, 1981 ;-- Am. 1982, Act 276, Imd. Eff. Oct. 5, 1982 ;-- Am. 1986, Act 212, Eff. Oct. 1, 1986 ;-- Am. 1987, Act 128, Eff. Oct. 1, 1987 ;-- Am. 1990, Act

207, Eff. Oct. 1, 1990 ;-- Am. 1991, Act 118, Imd. Eff. Oct. 11, 1991 ;-- Am. 1993, Act 175, Eff. Oct. 1, 1993 ;-- Am. 1993, Act 336, Eff. Oct. 1, 1994 ;-- Am. 1995, Act 130, Eff. Oct. 1, 1995 ;-- Am. 1996, Act 180, Imd. Eff. Apr. 19, 1996 ;-- Am. 1996, Act 300, Eff. Oct. 1, 1996 ;-- Am. 2004, Act 351, Eff. Oct. 1, 2004 ;-- Am. 2005, Act 155, Imd. Eff. Sept. 30, 2005 ;-- Am. 2006, Act 342, Imd. Eff. Aug. 15, 2006 ;-- Am. 2007, Act 137, Imd. Eff. Nov. 8, 2007 ;-- Am. 2008, Act 268, Eff. Oct. 1, 2008 ;-- Am. 2009, Act 121, Imd. Eff. Oct. 19, 2009 ;-- Am. 2010, Act 110, Eff. Oct. 1, 2010 ;-- Am. 2011, Act 62, Eff. Oct. 1, 2011 ;-- Am. 2012, Act 201, Eff. Oct. 1, 2012 ;-- Am. 2012, Act 286, Imd. Eff. Aug. 1, 2012 ;-- Am. 2013, Act 60, Eff. Oct. 1, 2013 ;-- Am. 2014, Act 196, Eff. Oct. 1, 2014 ;-- Am. 2015, Act 85, Imd. Eff. June 17, 2015 ;-- Am. 2016, Act 249, Eff. Oct. 1, 2016 ;-- Am. 2017, Act 108, Imd. Eff. July 14, 2017 ;-- Am. 2018, Act 265, Eff. Oct. 1, 2018 ;-- Am. 2019, Act 58, Imd. Eff. Sept. 30, 2019 ;-- Am. 2020, Act 165, Eff. Oct. 1, 2020 ;-- Am. 2021, Act 48, Eff. Oct. 1, 2021 ;-- Am. 2022, Act 144, Eff. Oct. 1, 2022 ;-- Am. 2023, Act 103, Eff. Oct. 1, 2023 ;-- Am. 2024, Act 120, Eff. Oct. 1, 2024

Compiler's Notes: Enacting section 1 of Act 351 of 2004 provides: "Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2004-2005 is estimated at \$11,173,900,000.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,113,650,400.00." Enacting section 1 of 2005 PA 155 provides: "Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act and in House Bill No. 4831 of the 93rd Legislature from state sources for fiscal year 2005-2006 is estimated at \$11,364,814,000.00 and state appropriations to be paid to local units of government for fiscal year 2005-2006 are estimated at \$11,341,913,100.00." Enacting section 1 of Act 342 of 2006 provides: "Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2006-2007 is estimated at \$11,682,508,200.00 and state appropriations to be paid to local units of government for fiscal year 2006-2007 are estimated at \$11,536,597,200.00. (2) In accordance with section 30 of article I of the state constitution of 1963, total state spending from state sources for fiscal year 2005-2006 in this amendatory act and 2005 PA 155 is estimated at \$11,308,027,200.00 and state appropriations to be paid to local units of government for fiscal year 2004-2005 are estimated at \$11,285,376,300.00." Enacting section 1 of Act 137 of 2007 provides: "Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2007-2008 is estimated at \$11,527,973,800.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at \$11,458,493,300.00." Enacting section 1 of Act 268 of 2008 provides: "Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2008-2009 is estimated at \$11,816,898,200.00 and state appropriations to be paid to local units of government for fiscal year 2008-2009 are estimated at \$11,602,465,900.00." Enacting section 1 of Act 121 of 2009 provides: "Enacting section 1. In accordance with section 30 of article I of the state constitution of 1963, total state spending in this amendatory act from state sources for fiscal year 2009-2010 is estimated at \$10,825,754,100.00 and state appropriations to be paid to local units of government for fiscal year 2009-2010 are estimated at \$10,718,801,700.00."