SUBSTITUTE FOR

SENATE BILL NO. 957

A bill to amend 1976 PA 451, entitled

"The revised school code,"

(MCL 380.1 to 380.1852) by adding section 1219.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

SEC. 1219. (1) BEFORE JULY 7 OF EACH SCHOOL FISCAL YEAR, EACH SCHOOL DISTRICT AND PUBLIC SCHOOL ACADEMY SHALL TRANSMIT TO CEPI THE BUDGETARY ASSUMPTIONS USED IN THE PREPARATION OF ITS ANNUAL BUDGET PURSUANT TO THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL 141.421 TO 141.440A. THE SUBMISSION OF THE BUDGETARY ASSUMPTIONS UNDER THIS SUBSECTION SHALL BE IN THE FORM PRESCRIBED BY CEPI AND SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING INFORMATION:

(A) THE PROJECTED FOUNDATION ALLOWANCE FOR THE SCHOOL DISTRICT

OR PUBLIC SCHOOL ACADEMY USED BY ITS GOVERNING BODY WHEN ADOPTING THE BUDGET FOR THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY FOR THE CURRENT SCHOOL FISCAL YEAR.

(B) AN INDICATION OF WHETHER THE PROJECTED FOUNDATION ALLOWANCE UNDER SUBDIVISION (A) INCREASED, DECREASED, OR REMAINED UNCHANGED FROM THE FOUNDATION ALLOWANCE OF THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY FOR THE IMMEDIATELY PRECEDING SCHOOL FISCAL YEAR.

(C) THE PROJECTED MEMBERSHIP OF THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY USED WHEN ADOPTING THE BUDGET OF THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY FOR THE CURRENT SCHOOL FISCAL YEAR.

(D) AN INDICATION OF WHETHER THE PROJECTED MEMBERSHIP UNDER SUBDIVISION (C) INCREASED, DECREASED, OR REMAINED UNCHANGED FROM THE MEMBERSHIP REPORTED BY THE DEPARTMENT FOR THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY IN THE MOST RECENT STATE AID FINANCIAL STATUS REPORT FOR THE MONTH OF MAY.

(E) THE EXPENDITURES PER PUPIL FOR THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY FOR THE IMMEDIATELY PRECEDING SCHOOL FISCAL YEAR, CALCULATED BY DIVIDING TOTAL GENERAL FUND OPERATING EXPENDITURES FOR THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY DURING THAT SCHOOL FISCAL YEAR BY THE MEMBERSHIP FOR THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY REPORTED BY THE DEPARTMENT IN THE MOST RECENT STATE AID FINANCIAL STATUS REPORT FOR THE MONTH OF MAY.

(F) THE PROJECTED EXPENDITURES PER PUPIL FOR THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY FOR THE CURRENT SCHOOL FISCAL YEAR, CALCULATED BY DIVIDING THE TOTAL GENERAL FUND OPERATING EXPENDITURES AUTHORIZED BY THE GOVERNING BODY OF THE SCHOOL

DISTRICT OR THE PUBLIC SCHOOL ACADEMY WHEN ADOPTING THE BUDGET FOR THE CURRENT SCHOOL FISCAL YEAR BY THE PROJECTED MEMBERSHIP OF THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY USED WHEN ADOPTING THE BUDGET OF THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY FOR THE CURRENT SCHOOL FISCAL YEAR.

(2) BY JULY 21 OF EACH SCHOOL FISCAL YEAR, USING THE BUDGETARY ASSUMPTIONS RECEIVED UNDER SUBSECTION (1), CEPI SHALL COMPLETE A SUMMARY OF THE BUDGETARY ASSUMPTIONS FOR EACH INTERMEDIATE SCHOOL DISTRICT AND AUTHORIZING BODY IN THIS STATE. A SUMMARY OF THE BUDGETARY ASSUMPTIONS FOR AN INTERMEDIATE SCHOOL DISTRICT SHALL INCLUDE BUDGETARY ASSUMPTION INFORMATION FOR EACH SCHOOL DISTRICT LOCATED WITHIN THE INTERMEDIATE SCHOOL DISTRICT. A SUMMARY OF THE BUDGETARY ASSUMPTIONS FOR AN AUTHORIZING BODY SHALL INCLUDE BUDGETARY ASSUMPTION INFORMATION FOR EACH PUBLIC SCHOOL ACADEMY AUTHORIZED BY THE AUTHORIZING BODY. BY JULY 21 OF EACH SCHOOL FISCAL YEAR, CEPI SHALL TRANSMIT THE SUMMARY OF THE BUDGETARY ASSUMPTIONS FOR EACH INTERMEDIATE SCHOOL DISTRICT TO THE INTERMEDIATE SUPERINTENDENT OF THE INTERMEDIATE SCHOOL DISTRICT, THE SUPERINTENDENT OF PUBLIC INSTRUCTION, AND THE STATE TREASURER. BY JULY 21 OF EACH SCHOOL FISCAL YEAR, CEPI SHALL TRANSMIT THE SUMMARY OF THE BUDGETARY ASSUMPTIONS FOR EACH AUTHORIZING BODY TO THE AUTHORIZING BODY, THE SUPERINTENDENT OF PUBLIC INSTRUCTION, AND THE STATE TREASURER. A SUMMARY OF THE BUDGETARY ASSUMPTIONS SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING INFORMATION:

(A) FOR AN INTERMEDIATE SCHOOL DISTRICT, ALL OF THE FOLLOWING FOR EACH SCHOOL DISTRICT LOCATED WITHIN THE INTERMEDIATE SCHOOL DISTRICT:

(*i*) THE NAME OF EACH SCHOOL DISTRICT.

(*ii*) THE PROJECTED FOUNDATION ALLOWANCE REPORTED UNDER SUBSECTION (1)(A) AND THE INDICATION PROVIDED UNDER SUBSECTION (1)(B).

(*iii*) THE PROJECTED MEMBERSHIP REPORTED UNDER SUBSECTION (1)(C) AND THE INDICATION PROVIDED UNDER SUBSECTION (1)(D).

(*iv*) THE EXPENDITURES PER PUPIL AMOUNTS FOR THE SCHOOL DISTRICT PROVIDED UNDER SUBSECTION (1)(E) AND (F).

(B) FOR AN AUTHORIZING BODY, ALL OF THE FOLLOWING FOR EACH PUBLIC SCHOOL ACADEMY AUTHORIZED BY THE AUTHORIZING BODY:

(*i*) THE NAME OF EACH PUBLIC SCHOOL ACADEMY.

(*ii*) THE PROJECTED FOUNDATION ALLOWANCE REPORTED UNDER SUBSECTION (1)(A) AND THE INDICATION PROVIDED UNDER SUBSECTION (1)(B).

(*iii*) THE PROJECTED MEMBERSHIP REPORTED UNDER SUBSECTION (1)(C) AND THE INDICATION PROVIDED UNDER SUBSECTION (1)(D).

(*iv*) THE EXPENDITURES PER PUPIL AMOUNTS FOR THE PUBLIC SCHOOL ACADEMY PROVIDED UNDER SUBSECTION (1)(E) AND (F).

(3) BY JULY 28 OF EACH SCHOOL FISCAL YEAR, THE INTERMEDIATE SUPERINTENDENT OF EACH INTERMEDIATE SCHOOL DISTRICT RECEIVING A SUMMARY OF BUDGETARY ASSUMPTIONS UNDER SUBSECTION (2) SHALL REVIEW THE BUDGETARY ASSUMPTIONS INCLUDED IN THE SUMMARY OF BUDGETARY ASSUMPTIONS FOR EACH SCHOOL DISTRICT IN THE INTERMEDIATE SCHOOL DISTRICT AND NOTIFY CEPI, ON A FORM PRESCRIBED BY CEPI, WHETHER THE INTERMEDIATE SUPERINTENDENT CONCURS WITH THE BUDGETARY ASSUMPTIONS FOR EACH SCHOOL DISTRICT INCLUDED IN THE SUMMARY OF BUDGETARY ASSUMPTIONS. BY JULY 28 OF EACH SCHOOL FISCAL YEAR, EACH

AUTHORIZING BODY RECEIVING A SUMMARY OF BUDGETARY ASSUMPTIONS UNDER SUBSECTION (2) SHALL REVIEW THE BUDGETARY ASSUMPTIONS INCLUDED IN THE SUMMARY OF BUDGETARY ASSUMPTIONS FOR EACH PUBLIC SCHOOL ACADEMY AND NOTIFY CEPI, ON A FORM PRESCRIBED BY CEPI, WHETHER THE AUTHORIZING BODY CONCURS WITH THE BUDGETARY ASSUMPTIONS FOR EACH PUBLIC SCHOOL ACADEMY INCLUDED IN THE SUMMARY OF BUDGETARY ASSUMPTIONS. IN DETERMINING WHETHER TO CONCUR WITH BUDGETARY ASSUMPTIONS UNDER THIS SUBSECTION, AN INTERMEDIATE SUPERINTENDENT OR AN AUTHORIZING BODY SHALL CONSIDER ALL OF THE FOLLOWING FACTORS FOR EACH SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY:

(A) THE SCHOOL DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S FOUNDATION ALLOWANCE AND MEMBERSHIP FOR PRIOR FISCAL YEARS.

(B) FOR A SCHOOL DISTRICT, PROJECTIONS USED BY OTHER SCHOOL DISTRICTS WITHIN THE INTERMEDIATE SCHOOL DISTRICT FOR THE SAME FISCAL YEAR.

(C) FOR A PUBLIC SCHOOL ACADEMY, PROJECTIONS USED BY OTHER PUBLIC SCHOOL ACADEMIES AUTHORIZED BY THE AUTHORIZING BODY FOR THE SAME FISCAL YEAR.

(D) PROJECTIONS RELEASED BY 1 OR MORE OF THE DEPARTMENT OF TREASURY, THE HOUSE FISCAL AGENCY, THE SENATE FISCAL AGENCY, OR A REVENUE ESTIMATING CONFERENCE CONDUCTED UNDER SECTION 367B OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1367B.

(E) PROJECTIONS BASED ON PENDING OR ENACTED LEGISLATION.

(4) BY AUGUST 10 OF EACH SCHOOL FISCAL YEAR, CEPI SHALL PREPARE AND TRANSMIT TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE STATE TREASURER A FINAL SUMMARY OF BUDGETARY ASSUMPTIONS FOR EACH INTERMEDIATE SCHOOL DISTRICT AND AUTHORIZING BODY IN THIS

STATE. THE FINAL SUMMARY OF BUDGETARY ASSUMPTIONS SHALL INCLUDE AT LEAST ALL OF THE INFORMATION DETAILED IN SUBSECTION (2)(A) AND (B), AND ANY CHANGES SUBMITTED TO CEPI BY AN INTERMEDIATE SCHOOL DISTRICT OR AUTHORIZING BODY IN BUDGETARY ASSUMPTIONS UNDER SUBSECTION (2) OR IN INTERMEDIATE SUPERINTENDENT OR AUTHORIZING BODY CONCURRENCE UNDER SUBSECTION (3) AND CONFIRMED BY CEPI BEFORE THAT AUGUST 10. WHEN TRANSMITTING THE FINAL SUMMARY OF BUDGETARY ASSUMPTIONS TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE STATE TREASURER UNDER THIS SUBSECTION, CEPI ALSO SHALL TRANSMIT A COPY OF THE FINAL SUMMARY OF BUDGETARY ASSUMPTIONS FOR AN INTERMEDIATE SCHOOL DISTRICT TO THE INTERMEDIATE SUPERINTENDENT OF THE INTERMEDIATE SCHOOL DISTRICT AND A COPY OF THE FINAL SUMMARY OF BUDGETARY ASSUMPTIONS FOR AN AUTHORIZING BODY TO THE AUTHORIZING BODY. BY AUGUST 20 OF EACH SCHOOL FISCAL YEAR, THE STATE TREASURER SHALL REVIEW EACH FINAL SUMMARY OF BUDGETARY ASSUMPTIONS PREPARED UNDER THIS SUBSECTION. IF THE STATE TREASURER CONCURS WITH A DETERMINATION BY AN INTERMEDIATE SUPERINTENDENT OR AUTHORIZING BODY THAT A BUDGETARY ASSUMPTION USED BY THE GOVERNING BODY OF A SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY IS UNREASONABLE OR IF THE STATE TREASURER DOES NOT CONCUR WITH A DETERMINATION BY AN INTERMEDIATE SUPERINTENDENT OR AUTHORIZING BODY THAT A BUDGETARY ASSUMPTION USED BY THE GOVERNING BODY OF A SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY IS REASONABLE, THEN BY THAT AUGUST 20 THE STATE TREASURER SHALL NOTIFY THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY AND PROVIDE A COPY OF THE NOTICE TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION. FOR A SCHOOL DISTRICT, THE STATE TREASURER SHALL ALSO PROVIDE A COPY OF THE NOTICE TO THE INTERMEDIATE SUPERINTENDENT OF THE INTERMEDIATE

SCHOOL DISTRICT IN WHICH THE SCHOOL DISTRICT IS LOCATED AND TO EACH MEMBER OF THE SCHOOL BOARD OF THE SCHOOL DISTRICT. FOR A PUBLIC SCHOOL ACADEMY, THE STATE TREASURER SHALL ALSO PROVIDE A COPY OF THE NOTICE TO THE AUTHORIZING BODY OF THE PUBLIC SCHOOL ACADEMY AND TO EACH MEMBER OF THE BOARD OF DIRECTORS OF THE PUBLIC SCHOOL ACADEMY. IF THE STATE TREASURER NOTIFIES A SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY OF CONCURRENCE OR NONCONCURRENCE UNDER THIS SUBSECTION, WITHIN 5 DAYS AFTER THAT NOTIFICATION THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY SHALL POST A NOTICE ON THE MAIN PAGE OF THE SCHOOL DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S WEBSITE INDICATING THAT THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY HAS ADOPTED A BUDGET THAT RELIES UPON UNREASONABLE BUDGETARY ASSUMPTIONS. THE NOTICE SHALL REMAIN ON THE MAIN PAGE OF THE SCHOOL DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S WEBSITE UNTIL THE EARLIER OF THE FOLLOWING:

(A) THE NEXT JUNE 30.

(B) THE ADOPTION BY THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY OF AN AMENDED BUDGET FOR THE SCHOOL FISCAL YEAR BASED UPON BUDGETARY ASSUMPTIONS THAT THE INTERMEDIATE SCHOOL DISTRICT OR AUTHORIZING BODY, WITH THE CONCURRENCE OF THE STATE TREASURER, DETERMINES ARE REASONABLE.

(5) IF A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY, OR THE AUTHORIZING BODY OF A PUBLIC SCHOOL ACADEMY, DETERMINES THAT CONDITIONS OF FISCAL STRESS, A DEFICIT, OR CONDITIONS INDICATING A POTENTIAL FINANCIAL EMERGENCY HAVE ARISEN OR MAY ARISE FOR THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY, THAT SCHOOL DISTRICT, INTERMEDIATE SCHOOL

DISTRICT, PUBLIC SCHOOL ACADEMY, OR AUTHORIZING BODY SHALL NOTIFY THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND REQUEST TECHNICAL ASSISTANCE FROM THIS STATE IN ADDRESSING THE FISCAL STRESS, DEFICIT, OR POTENTIAL FINANCIAL EMERGENCY. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL NOTIFY THE STATE TREASURER OF ANY REQUEST FOR TECHNICAL ASSISTANCE UNDER THIS SUBSECTION.

(6) A SCHOOL DISTRICT THAT REQUESTS ASSISTANCE UNDER SUBSECTION (5) SHALL PROVIDE A COPY OF THE NOTICE AND REQUEST TO THE SUPERINTENDENT OF THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE SCHOOL DISTRICT IS LOCATED. A PUBLIC SCHOOL ACADEMY THAT REQUESTS ASSISTANCE UNDER SUBSECTION (5) SHALL PROVIDE A COPY OF THE NOTICE AND REQUEST TO ITS AUTHORIZING BODY.

(7) WITHIN 45 DAYS AFTER RECEIVING A REQUEST FOR ASSISTANCE UNDER SUBSECTION (5), THE DEPARTMENT SHALL CONSULT WITH THE DEPARTMENT OF TREASURY REGARDING THE PROVISION OF TECHNICAL ASSISTANCE TO THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY. SUBJECT TO AVAILABLE RESOURCES, THE DEPARTMENT AND THE DEPARTMENT OF TREASURY SHALL REVIEW THE FINANCIAL CONDITION AND THE BUDGET OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY, AND, AFTER CONSULTATION WITH THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY, PROVIDE TECHNICAL ASSISTANCE, INCLUDING, BUT NOT LIMITED TO, DATA ANALYSIS TOOLS, WITH THE OBJECTIVE OF ASSISTING THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY IN AVOIDING CONDITIONS OF FISCAL STRESS, A DEFICIT, OR A POTENTIAL FINANCIAL EMERGENCY BEFORE FURTHER STATE INTERVENTION. TO ASSURE GREATER COORDINATION AND

EFFECTIVE PARTNERSHIPS, WHEN ADMINISTERING THIS SUBSECTION FOR A SCHOOL DISTRICT, THE DEPARTMENT AND THE DEPARTMENT OF TREASURY SHALL CONSULT WITH THE SUPERINTENDENT OF THE SCHOOL DISTRICT AND THE INTERMEDIATE SUPERINTENDENT OF THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE SCHOOL DISTRICT IS LOCATED, AND THE INTERMEDIATE SCHOOL DISTRICT MAY PROVIDE ASSISTANCE THAT COMPLEMENTS AND SUPPORTS THE STATE ASSISTANCE PROVIDED UNDER THIS SECTION. TO ASSURE GREATER COORDINATION AND EFFECTIVE PARTNERSHIPS, WHEN ADMINISTERING THIS SUBSECTION FOR A PUBLIC SCHOOL ACADEMY, THE DEPARTMENT AND THE DEPARTMENT OF TREASURY SHALL CONSULT WITH THE AUTHORIZING BODY OF THE PUBLIC SCHOOL ACADEMY, AND THE AUTHORIZING BODY MAY PROVIDE ASSISTANCE THAT COMPLEMENTS AND SUPPORTS THE STATE ASSISTANCE PROVIDED UNDER THIS SECTION.

(8) THE SUPERINTENDENT OF PUBLIC INSTRUCTION OR THE STATE TREASURER MAY REQUIRE A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER SUBSECTION (9) IF EITHER THE SUPERINTENDENT OF PUBLIC INSTRUCTION OR THE STATE TREASURER DETERMINES THAT POTENTIAL FINANCIAL STRESS MAY EXIST WITHIN THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY, THAT A DEFICIT IS PROJECTED TO ARISE WITHIN THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY DURING THE CURRENT SCHOOL FISCAL YEAR OR THE FOLLOWING 2 SCHOOL FISCAL YEARS, OR THAT THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY MAY BE UNABLE TO MEET ITS FINANCIAL OBLIGATIONS WHILE ALSO SATISFYING THE SCHOOL DISTRICT'S, INTERMEDIATE SCHOOL DISTRICT'S, OR PUBLIC SCHOOL ACADEMY'S OBLIGATIONS OR ABILITIES TO PROVIDE

PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH THIS ACT, THE STATE SCHOOL AID ACT OF 1979, AND APPLICABLE RULES, BASED UPON 1 OR MORE OF THE FOLLOWING:

(A) FINANCIAL DATA OR OTHER INFORMATION SUBMITTED BY THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY TO A STATE DEPARTMENT OR AGENCY.

(B) FINANCIAL DATA OR OTHER INFORMATION INCLUDED WITHIN AN AUDITED FINANCIAL STATEMENT OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY.

(C) FINANCIAL DATA OR OTHER INFORMATION PROVIDED TO A STATE DEPARTMENT, AGENCY, OR AUTHORITY IN CONNECTION WITH A REQUEST TO ISSUE BONDS, NOTES, OR OTHER DEBT OBLIGATIONS, INCLUDING, BUT NOT LIMITED TO, INFORMATION RELATING TO A REQUEST FOR A LOAN UNDER THE EMERGENCY MUNICIPAL LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942.

(D) FINANCIAL DATA OR OTHER INFORMATION INCLUDED WITHIN A RECOMMENDED BUDGET, BUDGET, OR GENERAL APPROPRIATIONS ACT OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY.

(E) FINANCIAL DATA OR OTHER INFORMATION PROVIDED TO A STATE DEPARTMENT, AGENCY, OR AUTHORITY BY AN OFFICER, EMPLOYEE, CONTRACTOR, OR AGENT OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY.

(F) FOR A SCHOOL DISTRICT, DATA RELATING TO PUPIL ENROLLMENT, INCLUDING, BUT NOT LIMITED TO, RESIDENTS OF OTHER SCHOOL DISTRICTS ENROLLED IN THE SCHOOL DISTRICT AND RESIDENTS OF THE SCHOOL DISTRICT ENROLLED IN ANOTHER SCHOOL DISTRICT OR IN A PUBLIC SCHOOL NOT OPERATED BY THE SCHOOL DISTRICT.

(G) FOR A SCHOOL DISTRICT, FINANCIAL DATA OR OTHER INFORMATION PROVIDED TO THE DEPARTMENT OR DEPARTMENT OF TREASURY BY THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE SCHOOL DISTRICT IS LOCATED.

(H) FOR A PUBLIC SCHOOL ACADEMY, FINANCIAL DATA OR OTHER INFORMATION PROVIDED TO THE DEPARTMENT OR DEPARTMENT OF TREASURY BY THE AUTHORIZING BODY OF THE PUBLIC SCHOOL ACADEMY.

(I) FOR A SCHOOL DISTRICT, THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE SCHOOL DISTRICT IS LOCATED DID NOT CONCUR UNDER SUBSECTION (3) WITH THE BUDGETARY ASSUMPTIONS SUBMITTED BY THE SCHOOL DISTRICT UNDER SUBSECTION (1).

(J) FOR A PUBLIC SCHOOL ACADEMY, THE PUBLIC SCHOOL ACADEMY'S AUTHORIZING BODY DID NOT CONCUR UNDER SUBSECTION (3) WITH THE BUDGETARY ASSUMPTIONS SUBMITTED BY THE PUBLIC SCHOOL ACADEMY UNDER SUBSECTION (1).

(9) FOR A SCHOOL DISTRICT, NOT LESS THAN 14 DAYS BEFORE DETERMINING UNDER SUBSECTION (8) THAT POTENTIAL FINANCIAL STRESS MAY EXIST FOR THE SCHOOL DISTRICT, THE SUPERINTENDENT OF PUBLIC INSTRUCTION OR THE STATE TREASURER SHALL NOTIFY THE SCHOOL DISTRICT AND THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE SCHOOL IS LOCATED OF A POTENTIAL DETERMINATION UNDER SUBSECTION (8). FOR AN INTERMEDIATE SCHOOL DISTRICT, NOT LESS THAN 14 DAYS BEFORE DETERMINING UNDER SUBSECTION (8) THAT POTENTIAL FINANCIAL STRESS MAY EXIST FOR THE INTERMEDIATE SCHOOL DISTRICT, THE SUPERINTENDENT OF PUBLIC INSTRUCTION OR THE STATE TREASURER SHALL NOTIFY THE INTERMEDIATE SCHOOL DISTRICT OF A POTENTIAL DETERMINATION UNDER SUBSECTION (8). FOR A PUBLIC SCHOOL ACADEMY, NOT LESS THAN 14 DAYS

BEFORE DETERMINING UNDER SUBSECTION (8) THAT POTENTIAL FINANCIAL STRESS MAY EXIST FOR THE PUBLIC SCHOOL ACADEMY, THE SUPERINTENDENT OF PUBLIC INSTRUCTION OR THE STATE TREASURER SHALL NOTIFY THE PUBLIC SCHOOL ACADEMY AND THE AUTHORIZING BODY OF THE PUBLIC SCHOOL ACADEMY OF A POTENTIAL DETERMINATION UNDER SUBSECTION (8). IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION OR THE STATE TREASURER DETERMINES UNDER SUBSECTION (8) THAT POTENTIAL FINANCIAL STRESS MAY EXIST FOR A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY, AFTER MAKING THE NOTIFICATION REQUIRED UNDER THIS SUBSECTION, EITHER THE SUPERINTENDENT OF PUBLIC INSTRUCTION OR THE STATE TREASURER MAY REQUIRE THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY TO SUBMIT TO THAT OFFICER A PERIODIC FINANCIAL STATUS REPORT ON A PERIODIC BASIS DETERMINED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION OR THE STATE TREASURER UNDER SUBSECTION (10) IF 1 OR MORE OF THE FOLLOWING ARE APPLICABLE:

(A) THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY FAILED TO MAKE A REQUIRED PAYMENT TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

(B) THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY FAILED TO MAKE A REQUIRED PAYMENT TO THE MICHIGAN UNEMPLOYMENT INSURANCE AGENCY.

(C) THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY FAILED TO TIMELY TRANSMIT TO THE DEPARTMENT OF TREASURY A REQUIRED PAYMENT OF TAX WITHHELD FROM PAYMENTS TO EMPLOYEES OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR

PUBLIC SCHOOL ACADEMY.

(D) INFORMATION SUBMITTED BY A VENDOR OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY INDICATES THAT THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY IS MORE THAN 90 DAYS IN ARREARS ON A PAYMENT OWED TO THE VENDOR AS REQUIRED UNDER A CONTRACT BETWEEN THE VENDOR AND THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY.

(E) THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT HAS EXPENDED TAX REVENUE FOR AN UNAUTHORIZED PURPOSE OR THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT HAS TRANSFERRED OR DEPOSITED TAX REVENUE IN AN UNAUTHORIZED MANNER.

(F) THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT HAS FAILED TO DISTRIBUTE TAX REVENUE AS REQUIRED BY LAW OR TO MAKE TIMELY REFUNDS OF TAX REVENUES AS REQUIRED BY LAW.

(G) THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY HAS FAILED TO PAY EMPLOYEES OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY WITHIN THE TIME PERIOD REQUIRED BY LAW.

(H) THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY HAS FAILED TO COMPLY WITH A MATERIAL REQUIREMENT IN THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL 141.421 TO 141.440A, AND THE MATERIAL VIOLATION WAS NOTED IN AN AUDIT OR AUDITED FINANCIAL STATEMENT OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY.

(I) THE GENERAL FUND BALANCE OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY, EXPRESSED

AS A PERCENTAGE OF CURRENT OPERATING EXPENDITURES, HAS DECLINED BY 5 PERCENTAGE POINTS OR MORE EACH YEAR OVER 3 CONSECUTIVE SCHOOL FISCAL YEARS.

(J) THE EXPENDITURES PER PUPIL OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY HAVE INCREASED BY 5% OR MORE IN THE MOST RECENT SCHOOL FISCAL YEAR, AS COMPARED TO THE IMMEDIATELY PRECEDING SCHOOL FISCAL YEAR. AS USED IN THIS SUBDIVISION, "EXPENDITURES PER PUPIL" MEANS THE QUOTIENT OF DIVIDING THE TOTAL GENERAL FUND OPERATING EXPENDITURES FOR A SCHOOL FISCAL YEAR BY THE FINAL AUDITED NUMBER OF PUPILS IN MEMBERSHIP FOR THE STATE FISCAL YEAR IN WHICH THAT SCHOOL YEAR ENDED.

(K) FOR A SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY, PUPIL ENROLLMENT IN THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY HAS DECLINED BY 5% OR MORE IN A SINGLE SCHOOL FISCAL YEAR OR BY 15% OR MORE OVER A PERIOD OF 3 CONSECUTIVE SCHOOL FISCAL YEARS AND THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY FAILED TO REDUCE EXPENDITURES IN A MANNER THAT ADDRESSES THE DECLINE IN ENROLLMENT.

(*l*) FOR A SCHOOL DISTRICT, A REQUEST FOR A DETERMINATION UNDER THIS SUBSECTION IS SUBMITTED TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION OR THE STATE TREASURER BY THE BOARD OF THE SCHOOL DISTRICT OR THE SUPERINTENDENT OF THE INTERMEDIATE SCHOOL DISTRICT.

(M) FOR A PUBLIC SCHOOL ACADEMY, A REQUEST FOR A DETERMINATION UNDER THIS SUBSECTION IS SUBMITTED TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION OR THE STATE TREASURER BY THE BOARD OF THE PUBLIC SCHOOL ACADEMY OR THE AUTHORIZING BODY OF THE PUBLIC SCHOOL ACADEMY.

(N) FOR A SCHOOL DISTRICT, BASED UPON THE FACTORS DESCRIBED IN

THIS SUBSECTION AND SUBSECTION (8) OR INFORMATION PROVIDED BY AN INTERMEDIATE SCHOOL DISTRICT, THE SUPERINTENDENT OF PUBLIC INSTRUCTION OR THE STATE TREASURER DETERMINES THAT A DEFICIT IS LIKELY TO ARISE FOR THE SCHOOL DISTRICT IN THE CURRENT OR NEXT SCHOOL FISCAL YEAR AND THE SCHOOL DISTRICT HAS NOT TAKEN ACTION NECESSARY TO PREVENT THE DEFICIT FROM ARISING.

(O) FOR A PUBLIC SCHOOL ACADEMY, BASED UPON THE FACTORS DESCRIBED IN THIS SUBSECTION AND SUBSECTION (8) OR INFORMATION PROVIDED BY THE AUTHORIZING BODY OF THE PUBLIC SCHOOL ACADEMY, THE SUPERINTENDENT OF PUBLIC INSTRUCTION OR THE STATE TREASURER DETERMINES THAT A DEFICIT IS LIKELY TO ARISE FOR THE PUBLIC SCHOOL ACADEMY IN THE CURRENT OR NEXT FISCAL YEAR AND THE PUBLIC SCHOOL ACADEMY HAS NOT TAKEN ACTION NECESSARY TO PREVENT THE DEFICIT FROM ARISING.

(P) FOR A SCHOOL DISTRICT, THE SCHOOL DISTRICT HAS APPLIED FOR A LOAN UNDER THE EMERGENCY MUNICIPAL LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942.

(Q) FOR A SCHOOL DISTRICT, THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE SCHOOL DISTRICT IS LOCATED DID NOT CONCUR UNDER SUBSECTION (3) WITH THE BUDGETARY ASSUMPTIONS SUBMITTED BY THE SCHOOL DISTRICT UNDER SUBSECTION (1).

(R) FOR A PUBLIC SCHOOL ACADEMY, THE PUBLIC SCHOOL ACADEMY'S AUTHORIZING BODY DID NOT CONCUR UNDER SUBSECTION (3) WITH THE BUDGETARY ASSUMPTIONS SUBMITTED BY THE PUBLIC SCHOOL ACADEMY UNDER SUBSECTION (1).

(10) IF A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY IS REQUIRED TO SUBMIT PERIODIC FINANCIAL

STATUS REPORTS UNDER SUBSECTION (9), THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY SHALL SUBMIT A PERIODIC FINANCIAL STATUS REPORT IN THE FORM AND MANNER AND ON THE PERIODIC BASIS PRESCRIBED BY THE DEPARTMENT OF TREASURY, AFTER CONSULTATION WITH THE DEPARTMENT AND CEPI. THE REPORT SHALL INCLUDE FINANCIAL DATA AND OTHER INFORMATION THAT THE DEPARTMENT OF TREASURY, AFTER CONSULTATION WITH THE DEPARTMENT, ORGANIZATIONS REPRESENTING PUBLIC SCHOOL ADMINISTRATORS AND BUSINESS OFFICIALS, AND CEPI, DETERMINES CAN ASSIST THE STATE IN DEVELOPING AN EARLY WARNING SYSTEM OF FINANCIAL STRESS OR DEFICITS IN SCHOOL DISTRICTS, INTERMEDIATE SCHOOL DISTRICTS, AND PUBLIC SCHOOL ACADEMIES.

(11) FOR A SCHOOL DISTRICT REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER SUBSECTION (10), THE SCHOOL DISTRICT SHALL TRANSMIT A COPY OF THE PERIODIC FINANCIAL STATUS REPORT TO THE MEMBERS OF THE BOARD OF THE SCHOOL DISTRICT AND THE SUPERINTENDENT OF THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE SCHOOL DISTRICT IS LOCATED BEFORE TRANSMITTING THE PERIODIC FINANCIAL STATUS REPORT TO THE STATE TREASURER. FOR A PUBLIC SCHOOL ACADEMY REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER SUBSECTION (10), THE PUBLIC SCHOOL ACADEMY SHALL TRANSMIT A COPY OF THE PERIODIC FINANCIAL STATUS REPORT TO THE MEMBERS OF THE BOARD OF THE PUBLIC SCHOOL ACADEMY AND TO THE AUTHORIZING BODY OF THE PUBLIC SCHOOL ACADEMY BEFORE TRANSMITTING THE PERIODIC FINANCIAL STATUS REPORT TO THE STATE TREASURER. FOR AN INTERMEDIATE SCHOOL DISTRICT REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER SUBSECTION (10), THE INTERMEDIATE SCHOOL DISTRICT SHALL TRANSMIT A COPY OF THE PERIODIC FINANCIAL STATUS REPORT TO THE MEMBERS OF THE

BOARD OF THE INTERMEDIATE SCHOOL DISTRICT BEFORE TRANSMITTING THE PERIODIC FINANCIAL STATUS REPORT TO THE STATE TREASURER.

(12) A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER THIS SECTION SHALL DO ALL OF THE FOLLOWING:

(A) PROVIDE THE DEPARTMENT OF TREASURY OR THE DEPARTMENT WITH OTHER FINANCIAL DATA OR INFORMATION RELATING TO THE FINANCIAL CONDITION OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY AS REQUESTED BY THE DEPARTMENT OF TREASURY OR THE DEPARTMENT.

(B) ALLOW THE DEPARTMENT OF TREASURY OR THE DEPARTMENT TO EXAMINE ALL FINANCIAL RECORDS AND BOOKS OF ACCOUNT OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY.

(C) PROMPTLY AND FULLY PROVIDE THE ASSISTANCE AND INFORMATION NECESSARY AND PROPERLY REQUESTED BY THE DEPARTMENT OF TREASURY OR THE DEPARTMENT IN THE EFFECTUATION OF THE DEPARTMENT OF TREASURY'S OR THE DEPARTMENT'S DUTIES UNDER THIS SECTION.

(13) IF A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY FAILS TO SUBMIT A PERIODIC FINANCIAL STATUS REPORT REQUIRED UNDER THIS SECTION, OR IF THE STATE TREASURER DETERMINES OR IS NOTIFIED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION OR OTHER PUBLIC SCHOOL OFFICIAL THAT INFORMATION INCLUDED ON A PERIODIC FINANCIAL STATUS REPORT INDICATES THAT FINANCIAL STRESS EXISTS WITHIN THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY, THAT A DEFICIT HAS OCCURRED, OR THAT A DEFICIT IS PROJECTED TO OCCUR WITHIN THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY

WITHIN THE CURRENT SCHOOL FISCAL YEAR OR THE NEXT SCHOOL FISCAL YEAR THAT THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY LACKS THE CAPACITY TO ADDRESS WITHOUT STATE ASSISTANCE, THE STATE TREASURER MAY REQUIRE THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SECTION 1220. BEFORE REQUIRING A SCHOOL DISTRICT TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SECTION 1220, THE STATE TREASURER SHALL FIRST NOTIFY THE SUPERINTENDENT OF PUBLIC INSTRUCTION, THE BOARD OF THE SCHOOL DISTRICT, AND THE SUPERINTENDENT OF THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE SCHOOL DISTRICT IS LOCATED. BEFORE REQUIRING A PUBLIC SCHOOL ACADEMY TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SECTION 1220, THE STATE TREASURER SHALL FIRST NOTIFY THE SUPERINTENDENT OF PUBLIC INSTRUCTION, THE BOARD OF THE PUBLIC SCHOOL ACADEMY, AND THE AUTHORIZING BODY OF THE PUBLIC SCHOOL ACADEMY. BEFORE REQUIRING AN INTERMEDIATE SCHOOL DISTRICT TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SECTION 1220, THE STATE TREASURER SHALL FIRST NOTIFY THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE BOARD OF THE INTERMEDIATE SCHOOL DISTRICT. THE FAILURE OF AN OFFICER OF A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY TO PREPARE AND SUBMIT A PERIODIC FINANCIAL STATUS REPORT AS PROVIDED UNDER THIS SECTION CONSTITUTES MALFEASANCE AND IS GROUNDS FOR REMOVAL OF THE OFFICER FROM OFFICE.

(14) A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY IS NOT REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER THIS SECTION IF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY IS REQUIRED

TO SUBMIT A DEFICIT ELIMINATION PLAN OR AN ENHANCED DEFICIT ELIMINATION PLAN UNDER SECTION 1220 OR, FOR A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT, IF A FINANCIAL EMERGENCY HAS BEEN DECLARED FOR THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT UNDER THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1541 TO 141.1575, OR A SUCCESSOR STATUTE. IF A SCHOOL DISTRICT IS REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER THIS SECTION AND A LOAN IS ISSUED TO THE SCHOOL DISTRICT UNDER THE EMERGENCY LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942, THE STATE TREASURER SHALL REQUIRE THE SCHOOL DISTRICT TO SUBMIT PERIODIC FINANCIAL REPORTS UNDER THIS SECTION FOR AT LEAST 4 YEARS AFTER THE DATE OF ISSUANCE OF THE LOAN.

(15) A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY IS NO LONGER REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER THIS SECTION IF THE STATE TREASURER, AFTER CONSULTATION WITH THE SUPERINTENDENT OF PUBLIC INSTRUCTION, DETERMINES THAT THE PERIODIC FINANCIAL STATUS REPORTS SUBMITTED BY A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY INDICATE THAT POTENTIAL FINANCIAL STRESS DOES NOT EXIST WITHIN THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY; THAT A DEFICIT IS NOT PROJECTED TO ARISE WITHIN THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY WITHIN THE CURRENT SCHOOL FISCAL YEAR OR THE FOLLOWING 2 SCHOOL FISCAL YEARS; AND THAT THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY WILL BE ABLE TO MEET ITS FINANCIAL OBLIGATIONS WHILE ALSO SATISFYING THE SCHOOL DISTRICT'S, INTERMEDIATE SCHOOL DISTRICT'S, OR PUBLIC SCHOOL ACADEMY'S

OBLIGATIONS OR ABILITIES TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A MANNER THAT COMPLIES WITH THIS ACT, THE STATE SCHOOL AID ACT OF 1979, AND APPLICABLE RULES PROMULGATED BY THE DEPARTMENT.

(16) IF THE STATE TREASURER MAKES A DETERMINATION UNDER SUBSECTION (15) THAT THE CONDITIONS UNDER THAT SUBSECTION APPLY TO A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY, THE STATE TREASURER SHALL NOTIFY THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY. THE SUPERINTENDENT OF PUBLIC INSTRUCTION MAY NOTIFY THE STATE TREASURER THAT THE SUPERINTENDENT OF PUBLIC INSTRUCTION HAS DETERMINED THAT CONDITIONS UNDER SUBSECTION (15) APPLY TO A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY.

(17) FOR A SCHOOL DISTRICT, THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE SCHOOL DISTRICT IS LOCATED MAY ADVISE THE STATE TREASURER REGARDING THE DEVELOPMENT AND IMPLEMENTATION OF PERIODIC FINANCIAL REPORTS FOR THE SCHOOL DISTRICT UNDER THIS SECTION. FOR A PUBLIC SCHOOL ACADEMY, THE AUTHORIZING BODY OF THE PUBLIC SCHOOL ACADEMY MAY ADVISE THE STATE TREASURER REGARDING THE DEVELOPMENT AND IMPLEMENTATION OF PERIODIC FINANCIAL REPORTS FOR THE PUBLIC SCHOOL ACADEMY UNDER THIS SECTION.

(18) WITHIN 60 DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION, THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE STATE TREASURER SHALL CONVENE A JOINT WORKGROUP TO ASSIST THE DEPARTMENT AND DEPARTMENT OF TREASURY IN DEVELOPING RECOMMENDATIONS FOR THE CREATION OF AN INFORMATION SYSTEM OR PROCESSES THAT WILL PROVIDE EARLIER ACCESS TO FINANCIAL INFORMATION AND OTHER DATA THAT WILL ALLOW SCHOOL DISTRICTS, INTERMEDIATE SCHOOL DISTRICTS, AND PUBLIC

SCHOOL ACADEMIES TO ADDRESS BUDGETARY AND OTHER FINANCIAL DIFFICULTIES EARLIER. THE RECOMMENDATIONS FOR THE CREATION OF AN INFORMATION SYSTEM OR PROCESSES SHOULD ADDRESS ALL OF THE FOLLOWING:

(A) CREATING AN INFORMATION SYSTEM OR PROCESSES THAT USE OR OTHERWISE EXPAND UPON EXISTING DATA COLLECTION PROCESSES AND REQUIREMENTS AND PROVIDE MORE TIMELY ACCESS AND ANALYSIS OF DATA AT THE STATE LEVEL WHILE ALSO FACILITATING LOCAL AND REGIONAL COLLABORATION.

(B) ALLOWING THE UPLOADING OF SCHOOL BUDGET AND CURRENT YEAR-TO-DATE FINANCIAL INFORMATION ON A PERIODIC BASIS USING THE FINANCIAL INFORMATION DATABASE MAINTAINED BY CEPI.

(C) PERMITTING THE UPLOAD OF YEAR-TO-DATE EXPENDITURE DATA ON AT LEAST A QUARTERLY BASIS.

(D) PROVIDING THE DEPARTMENT AND THE DEPARTMENT OF TREASURY WITH ACCESS TO DATA AVAILABLE THROUGH THE INFORMATION SYSTEM OR PROCESSES.

(E) REDUCING OR CONSOLIDATING, OR BOTH, REPORTING REQUIREMENTS UNDER CURRENT LAW AND REGULATIONS.

(F) ESTIMATING THE COST OF THE INFORMATION SYSTEM OR PROCESSES.

(19) THE WORKGROUP CONVENED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE STATE TREASURER UNDER SUBSECTION (18) SHALL INCLUDE REPRESENTATIVES OF THE DEPARTMENT, THE DEPARTMENT OF TREASURY, THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET, CEPI, SCHOOL DISTRICTS, INTERMEDIATE SCHOOL DISTRICTS, PUBLIC SCHOOL ACADEMIES, AUTHORIZING BODIES, SCHOOL BUSINESS OFFICIALS,

AND CERTIFIED PUBLIC ACCOUNTANTS. THE WORKGROUP SHALL COMPLETE ITS WORK BY SEPTEMBER 30, 2015. THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND STATE TREASURER SHALL SUBMIT JOINT RECOMMENDATIONS UNDER THIS SUBSECTION AND SUBSECTION (20) BY DECEMBER 31, 2015 TO THE GOVERNOR, THE SENATE AND HOUSE STANDING COMMITTEES ON EDUCATION, AND THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON SCHOOL AID.

(20) IN ADDITION TO THE RECOMMENDATIONS UNDER SUBSECTION (18), THE WORKGROUP CONVENED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE STATE TREASURER UNDER SUBSECTION (18) SHALL MAKE RECOMMENDATIONS ON CHANGES IN STATE LAW RELATING TO PERIODIC FINANCIAL STATUS REPORTS UNDER THIS SECTION AND DEFICIT ELIMINATION REPORTS AND ENHANCED DEFICIT ELIMINATION PLANS UNDER SECTION 1220, INCLUDING, BUT NOT LIMITED TO, NEW DATA ANALYSIS TOOLS, AND RECOMMENDATIONS ON CHANGES TO WARNING SIGNS, DATA NEEDS, AND PROPER TIMING OF REPORTING IN A MANNER THAT REDUCES ADMINISTRATIVE BUREAUCRACY.

(21) AS USED IN THIS SECTION:

(A) "AUTHORIZING BODY" MEANS AN AUTHORIZING BODY FOR A PUBLIC SCHOOL ACADEMY UNDER THIS ACT.

(B) "CEPI" MEANS THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION CREATED IN SECTION 94A OF THE STATE SCHOOL AID ACT OF 1979, MCL 388.1694A.

(C) "DEFICIT" MEANS A CONDITION PROHIBITED UNDER SECTION 15(2) OF THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL 141.435, OR UNDER SECTION 102(1) OF THE STATE SCHOOL AID ACT OF 1979, MCL 388.1702. DEFICIT ALSO INCLUDES 1 OR BOTH OF THE

FOLLOWING CIRCUMSTANCES FOR A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY:

(*i*) THE TOTAL GENERAL FUND BALANCE OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY IS NEGATIVE OR IS PROJECTED TO BE NEGATIVE AT THE END OF THE CURRENT SCHOOL FISCAL YEAR.

(*ii*) ONE OR MORE OF THE FUNDS OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY OTHER THAN THE GENERAL FUND HAVE A NEGATIVE BALANCE OR PROJECTED NEGATIVE BALANCE THAT IS GREATER THAN THE TOTAL GENERAL FUND BALANCE.

(D) "FINANCIAL EMERGENCY" MEANS THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION 5(3)(A) TO (M) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1545, EXIST OR ARE LIKELY TO OCCUR WITHIN A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY IN THE CURRENT OR NEXT SCHOOL FISCAL YEAR AND THREATEN THE ABILITY OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY TO PROVIDE NECESSARY GOVERNMENTAL SERVICES ESSENTIAL TO PUBLIC HEALTH, SAFETY, AND WELFARE.

(E) "FISCAL STRESS" MEANS 1 OR BOTH OF THE FOLLOWING:

(*i*) THAT A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY IS UNABLE TO MEET ITS SHORT-TERM OR LONG-TERM FINANCIAL OBLIGATIONS AS THOSE OBLIGATIONS ARISE.

(*ii*) THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION 4(1)(A) TO (S) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1544, EXIST OR ARE LIKELY TO OCCUR WITHIN A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL

ACADEMY.

(F) "FOUNDATION ALLOWANCE" MEANS, FOR A SCHOOL DISTRICT, THE FOUNDATION ALLOWANCE FOR THE SCHOOL DISTRICT AS CALCULATED UNDER SECTION 20 OF THE STATE SCHOOL AID ACT OF 1979, MCL 388.1620, AND, FOR A PUBLIC SCHOOL ACADEMY, THE PER-PUPIL ALLOCATION FOR THE PUBLIC SCHOOL ACADEMY AS CALCULATED UNDER SECTION 20(6) OF THE STATE SCHOOL AID ACT OF 1979, MCL 388.1620.

(G) "GOVERNING BODY" MEANS, FOR A SCHOOL DISTRICT, THE SCHOOL BOARD OF THE SCHOOL DISTRICT AND, FOR A PUBLIC SCHOOL ACADEMY, THE BOARD OF DIRECTORS OF THE PUBLIC SCHOOL ACADEMY.

(H) "MEMBERSHIP" MEANS THAT TERM AS DEFINED IN SECTION 6 OF THE STATE SCHOOL AID ACT OF 1979, MCL 388.1606.

(I) "PUPIL" MEANS THAT TERM AS DEFINED IN SECTION 6 OF THE STATE SCHOOL AID ACT OF 1979, MCL 388.1606.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 97th Legislature are enacted into law:

(a) Senate Bill No. 951.

(b) Senate Bill No. 952.

(c) Senate Bill No. 954.