

HOUSE BILL No. 5607

November 18, 2009, Introduced by Rep. McMillin and referred to the Committee on Labor.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
(MCL 380.1 to 380.1852) by adding section 1245; and to repeal acts
and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 1245. (1) A SCHOOL DISTRICT, PUBLIC SCHOOL ACADEMY, OR
2 INTERMEDIATE SCHOOL DISTRICT MAY APPLY TO THE SUPERINTENDENT OF
3 PUBLIC INSTRUCTION FOR AN ORDER FINDING THAT THE SCHOOL DISTRICT,
4 PUBLIC SCHOOL ACADEMY, OR INTERMEDIATE SCHOOL DISTRICT HAS AN
5 EMERGENCY FINANCIAL SITUATION THAT REQUIRES AN EMERGENCY
6 RESTRUCTURING FOR ITS EMPLOYEES. THE SUPERINTENDENT OF PUBLIC
7 INSTRUCTION SHALL ISSUE THAT ORDER IF THE SUPERINTENDENT OF PUBLIC
8 INSTRUCTION DETERMINES THAT ALL OF THE FOLLOWING APPLY TO THE

1 SCHOOL DISTRICT, PUBLIC SCHOOL ACADEMY, OR INTERMEDIATE SCHOOL
2 DISTRICT:

3 (A) THE AVERAGE TEACHER SALARY IN THE SCHOOL DISTRICT, PUBLIC
4 SCHOOL ACADEMY, OR INTERMEDIATE SCHOOL DISTRICT IS IN THE TOP 1/3
5 AMONG ALL SCHOOL DISTRICTS IN THE NATION.

6 (B) THE ANNUAL AMOUNT THAT THE SCHOOL DISTRICT, PUBLIC SCHOOL
7 ACADEMY, OR INTERMEDIATE SCHOOL DISTRICT PAYS ON AVERAGE PER
8 EMPLOYEE FOR PROVIDING HEALTH CARE BENEFITS IS GREATER THAN THE
9 ANNUAL AMOUNT THE AVERAGE PRIVATE SECTOR EMPLOYER IN THIS STATE
10 PAYS ON AVERAGE PER EMPLOYEE FOR PROVIDING HEALTH CARE BENEFITS.

11 (C) THE SCHOOL DISTRICT, PUBLIC SCHOOL ACADEMY, OR
12 INTERMEDIATE SCHOOL DISTRICT HAS AN OPERATING DEFICIT FOR THE
13 CURRENT SCHOOL FISCAL YEAR AND DOES NOT HAVE A SUFFICIENT GENERAL
14 FUND BALANCE TO TRANSFER TO ITS OPERATING BUDGET TO ELIMINATE THAT
15 OPERATING DEFICIT.

16 (2) IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION ISSUES AN
17 ORDER FOR A SCHOOL DISTRICT, PUBLIC SCHOOL ACADEMY, OR INTERMEDIATE
18 SCHOOL DISTRICT UNDER SUBSECTION (1), THE BOARD OF THE SCHOOL
19 DISTRICT OR INTERMEDIATE SCHOOL DISTRICT OR BOARD OF DIRECTORS OF
20 THE PUBLIC SCHOOL ACADEMY MAY REDUCE THE WAGES OF ALL OF ITS
21 EMPLOYEES BY AN EQUAL PERCENTAGE AMOUNT. THE BOARD OR BOARD OF
22 DIRECTORS SHALL SPECIFY THE PERCENTAGE AMOUNT BY WHICH IT IS
23 PROPOSING TO REDUCE WAGES IN ITS APPLICATION UNDER SUBSECTION (1),
24 AND THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL SPECIFY THE
25 AUTHORIZED AMOUNT OF THE PERCENTAGE REDUCTION IN THE ORDER ISSUED
26 UNDER SUBSECTION (1). THE SPECIFIED AMOUNT MAY BE THE AMOUNT
27 REQUESTED IN THE APPLICATION OR MAY BE ANOTHER AMOUNT DETERMINED BY

1 THE SUPERINTENDENT OF PUBLIC INSTRUCTION TO BE APPROPRIATE TO
2 ELIMINATE OR REDUCE THE OPERATING DEFICIT.

3 (3) AN APPLICATION UNDER SUBSECTION (1) MAY COVER MORE THAN 1
4 SCHOOL FISCAL YEAR IF THE BOARD OF THE SCHOOL DISTRICT OR
5 INTERMEDIATE SCHOOL DISTRICT OR BOARD OF DIRECTORS OF THE PUBLIC
6 SCHOOL ACADEMY ANTICIPATES THAT THE OPERATING DEFICIT AND OTHER
7 CONDITIONS SPECIFIED UNDER SUBSECTION (1) WILL CONTINUE FOR MORE
8 THAN 1 SCHOOL FISCAL YEAR, AND AN ORDER ISSUED BY THE
9 SUPERINTENDENT OF PUBLIC INSTRUCTION UNDER SUBSECTION (1) MAY COVER
10 MORE THAN 1 SCHOOL FISCAL YEAR IF THE SUPERINTENDENT OF PUBLIC
11 INSTRUCTION DETERMINES THAT THE OPERATING DEFICIT AND OTHER
12 CONDITIONS SPECIFIED UNDER SUBSECTION (1) ARE LIKELY TO CONTINUE
13 FOR MORE THAN 1 SCHOOL FISCAL YEAR.

14 (4) ALL OF THE FOLLOWING ARE SUBJECT TO AND MAY BE MODIFIED BY
15 THE ACTIONS TAKEN UNDER THIS SECTION:

16 (A) COLLECTIVE BARGAINING BETWEEN A SCHOOL DISTRICT, PUBLIC
17 SCHOOL ACADEMY, OR INTERMEDIATE SCHOOL DISTRICT AND A BARGAINING
18 REPRESENTATIVE OF A UNIT OF ITS EMPLOYEES.

19 (B) A COLLECTIVE BARGAINING AGREEMENT IN EFFECT IN THE SCHOOL
20 DISTRICT, PUBLIC SCHOOL ACADEMY, OR INTERMEDIATE SCHOOL DISTRICT.

21 (C) AN INDIVIDUAL EMPLOYMENT CONTRACT BETWEEN THE SCHOOL
22 DISTRICT, PUBLIC SCHOOL ACADEMY, OR INTERMEDIATE SCHOOL DISTRICT
23 AND AN EMPLOYEE OF THE SCHOOL DISTRICT, PUBLIC SCHOOL ACADEMY, OR
24 INTERMEDIATE SCHOOL DISTRICT.

25 (5) THIS SECTION IS REPEALED EFFECTIVE DECEMBER 31, 2011.