

SENATE BILL No. 198

February 24, 2011, Introduced by Senators HUNTER, SMITH, YOUNG, HOOD and SCHUITMAKER
and referred to the Committee on Education.

A bill to amend 1990 PA 72, entitled
"Local government fiscal responsibility act,"
by amending section 38 (MCL 141.1238).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 38. (1) If the superintendent of public instruction
2 determines under section 35 or 36 that a school district has a
3 financial emergency, the superintendent of public instruction,
4 within 30 days after that determination, shall submit to the state
5 board the names of nominees who shall be considered for appointment
6 to serve as an emergency financial manager for the school district.
7 From the list of nominees submitted to the state board, the state
8 board shall submit to the governor the names of not more than 3
9 nominees who shall be considered for appointment to serve as an
10 emergency financial manager for the school district. From the list

1 of nominees submitted to the governor, the governor shall appoint,
2 with the advice and consent of the senate, an emergency financial
3 manager for the school district who shall hold office for a term
4 fixed by the governor, but not to exceed 1 year. The appointment
5 shall be by written contract and may be renewed on an annual basis
6 for not more than 1 year.

7 (2) An emergency financial manager appointed under this
8 article shall be chosen solely on the basis of his or her
9 competence in fiscal matters and shall not have been either an
10 elected or appointed official or employee of the school district
11 for which he or she is appointed for not less than 5 years before
12 the appointment. The emergency financial manager shall not be the
13 superintendent of public instruction. The emergency financial
14 manager need not be a resident of the school district for which he
15 or she is appointed.

16 (3) Unless the legislature provides special funding, an
17 emergency financial manager shall receive compensation and
18 reimbursement for actual and necessary expenses from the school
19 district as approved by the superintendent of public instruction.
20 **THE ANNUAL SALARY FOR THE EMERGENCY FINANCIAL MANAGER SHALL NOT**
21 **EXCEED THE ANNUAL SALARY FOR THE GOVERNOR.** In addition to staff
22 otherwise authorized by law, with the approval of the
23 superintendent of public instruction, the emergency financial
24 manager may appoint additional staff and secure professional
25 assistance considered necessary to implement this article.