

SENATE BILL No. 113

February 9, 2011, Introduced by Senators HUNTER and JOHNSON and referred to the Committee on Education.

A bill to amend 1990 PA 72, entitled
"Local government fiscal responsibility act,"
by amending section 40 (MCL 141.1240).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 40. (1) In consultation with the school board, the
2 emergency financial manager shall develop, and may from time to
3 time amend, a written financial plan for the school district. The
4 financial plan shall provide for both of the following:

5 (a) Conducting the operations of the school district within
6 the resources available according to the emergency financial
7 manager's revenue estimate.

8 (b) The payment in full of the scheduled debt service
9 requirements on all bonds and notes of the school district and all
10 other uncontested legal obligations.

1 (2) FOR A WRITTEN FINANCIAL PLAN DEVELOPED OR AMENDED AFTER
2 THE EFFECTIVE DATE OF THIS SECTION, THE WRITTEN FINANCIAL PLAN
3 SHALL INCLUDE A SCHOOL DISTRICT IMPROVEMENT PLAN FOR THE SCHOOL
4 DISTRICT AND A BUDGET FOR IMPLEMENTATION OF THE SCHOOL DISTRICT
5 IMPROVEMENT PLAN. ALL OF THE FOLLOWING APPLY TO THE DEVELOPMENT AND
6 IMPLEMENTATION OF THE SCHOOL DISTRICT IMPROVEMENT PLAN:

7 (A) THE BOARD OF THE SCHOOL DISTRICT SHALL DEVELOP THE SCHOOL
8 DISTRICT IMPROVEMENT PLAN, AND A PROPOSED BUDGET FOR IMPLEMENTATION
9 OF THE PLAN, WITH INPUT FROM THE LOCAL TEACHER BARGAINING UNIT AND
10 THE LOCAL SUPERINTENDENT.

11 (B) THE INTERMEDIATE SCHOOL DISTRICT SHALL PROVIDE TECHNICAL
12 ASSISTANCE AND EXPERTISE TO THE BOARD.

13 (C) THE BOARD SHALL SUBMIT THE SCHOOL DISTRICT IMPROVEMENT
14 PLAN AND PROPOSED PLAN BUDGET TO THE EMERGENCY FINANCIAL MANAGER.

15 (D) BEFORE THE SCHOOL DISTRICT IMPROVEMENT PLAN AND PLAN
16 BUDGET ARE INCLUDED IN THE WRITTEN FINANCIAL PLAN, THEY MUST BE
17 APPROVED BY THE BOARD OF THE SCHOOL DISTRICT, BY THE INTERMEDIATE
18 BOARD OF THE INTERMEDIATE SCHOOL DISTRICT, AND BY THE EMERGENCY
19 FINANCIAL MANAGER.

20 (3) ~~(2)~~—After the initial development of the financial plan
21 required by subsection (1), the emergency financial manager in
22 consultation with the school board shall regularly reexamine the
23 plan, and if the emergency financial manager reduces his or her
24 revenue estimates, he or she shall modify the financial plan to
25 conform to revised revenue estimates. **THE EMERGENCY FINANCIAL**
26 **MANAGER SHALL SUBMIT TO THE EDUCATION FINANCIAL EMERGENCY**
27 **RESOLUTION BOARD CREATED UNDER SECTION 38 QUARTERLY PROGRESS**

1 REPORTS THAT DETAIL THE STATUS OF THE IMPLEMENTATION OF ALL ASPECTS
2 OF THE FINANCIAL PLAN, INCLUDING THE STATUS OF THE IMPLEMENTATION
3 OF THE SCHOOL IMPROVEMENT PLAN REQUIRED UNDER SUBSECTION (2).

4 (4) ~~(3)~~—The financial plan shall be in a form, and shall
5 contain that information for each year the plan is in effect, that
6 **IS REQUIRED UNDER THIS SECTION AND THAT** the school district's
7 emergency financial manager specifies.

8 (5) ~~(4)~~—The emergency financial manager shall make public the
9 plan or modified plan **AND THE QUARTERLY PROGRESS REPORTS REQUIRED**
10 **UNDER SUBSECTION (3)**. This subsection shall not be construed to
11 mean that the emergency financial manager must receive public
12 approval before he or she implements the financial plan or any
13 modification to the plan.

14 Enacting section 1. This amendatory act does not take effect
15 unless Senate Bill No. 112

16 of the 96th Legislature is enacted into law.