

HOUSE BILL No. 6295

June 29, 2010, Introduced by Reps. Nathan, Durhal, Tlaib, Lemmons, Womack, Geiss, Kennedy, Valentine, Slavens, Haase, Young, Leland, Roberts, Ball, Polidori, Cushingberry 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

1 other uncontested legal obligations.

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

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

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

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

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

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

1 RESOLUTION BOARD CREATED UNDER SECTION 38 QUARTERLY PROGRESS
2 REPORTS THAT DETAIL THE STATUS OF THE IMPLEMENTATION OF ALL ASPECTS
3 OF THE FINANCIAL PLAN, INCLUDING THE STATUS OF THE IMPLEMENTATION
4 OF THE SCHOOL IMPROVEMENT PLAN REQUIRED UNDER SUBSECTION (2).

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

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

15 Enacting section 1. This amendatory act does not take effect
16 unless Senate Bill No. ____ or House Bill No. 6296(request no.
17 06681'10) of the 95th Legislature is enacted into law.