

SUBSTITUTE FOR
SENATE BILL NO. 952

A bill to amend 1976 PA 451, entitled
"The revised school code,"
(MCL 380.1 to 380.1852) by adding section 1220.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 1220. (1) A SCHOOL DISTRICT, INTERMEDIATE SCHOOL
2 DISTRICT, OR PUBLIC SCHOOL ACADEMY SHALL NOT ADOPT OR OPERATE UNDER
3 A DEFICIT BUDGET, AND A SCHOOL DISTRICT, INTERMEDIATE SCHOOL
4 DISTRICT, OR PUBLIC SCHOOL ACADEMY SHALL NOT INCUR AN OPERATING
5 DEFICIT IN A FUND DURING A SCHOOL FISCAL YEAR. IF A SCHOOL
6 DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY
7 HAS AN EXISTING DEFICIT FUND BALANCE, INCURS A DEFICIT FUND BALANCE
8 IN THE MOST RECENTLY COMPLETED SCHOOL FISCAL YEAR, OR ADOPTS A
9 CURRENT YEAR BUDGET THAT PROJECTS A DEFICIT FUND BALANCE, ALL OF

1 THE FOLLOWING APPLY:

2 (A) THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR
3 PUBLIC SCHOOL ACADEMY SHALL NOTIFY THE SUPERINTENDENT OF PUBLIC
4 INSTRUCTION AND THE STATE TREASURER IMMEDIATELY UPON THE OCCURRENCE
5 OF THE CIRCUMSTANCE. A SCHOOL DISTRICT SHALL PROVIDE A COPY OF THE
6 NOTICE UNDER THIS SUBDIVISION TO THE INTERMEDIATE SUPERINTENDENT OF
7 THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE SCHOOL DISTRICT IS
8 LOCATED. A PUBLIC SCHOOL ACADEMY SHALL PROVIDE A COPY OF THE NOTICE
9 UNDER THIS SUBDIVISION TO THE AUTHORIZING BODY OF THE PUBLIC SCHOOL
10 ACADEMY.

11 (B) WITHIN 30 DAYS AFTER MAKING NOTIFICATION UNDER SUBDIVISION
12 (A), THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC
13 SCHOOL ACADEMY SHALL SUBMIT TO THE SUPERINTENDENT OF PUBLIC
14 INSTRUCTION AND THE STATE TREASURER A PREPLAN FINANCIAL REPORT IN
15 THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF TREASURY.
16 BEFORE SUBMISSION TO THE STATE TREASURER, A SCHOOL DISTRICT SHALL
17 TRANSMIT A COPY OF A REPORT UNDER THIS SUBDIVISION TO THE MEMBERS
18 OF THE BOARD OF THE SCHOOL DISTRICT AND TO THE INTERMEDIATE
19 SUPERINTENDENT OF THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE
20 SCHOOL DISTRICT IS LOCATED, AN INTERMEDIATE SCHOOL DISTRICT SHALL
21 TRANSMIT A COPY OF A REPORT UNDER THIS SUBDIVISION TO THE MEMBERS
22 OF THE BOARD OF THE INTERMEDIATE SCHOOL DISTRICT, AND A PUBLIC
23 SCHOOL ACADEMY SHALL TRANSMIT A COPY OF A REPORT UNDER THIS
24 SUBDIVISION TO THE MEMBERS OF THE BOARD OF THE PUBLIC SCHOOL
25 ACADEMY AND ITS AUTHORIZING BODY.

26 (C) WITHIN 90 DAYS AFTER NOTIFYING THE DEPARTMENT, THE SCHOOL
27 DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY

1 SHALL SUBMIT TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION IN THE
2 FORM AND MANNER PRESCRIBED BY THE DEPARTMENT AN AMENDED BUDGET FOR
3 THE CURRENT SCHOOL FISCAL YEAR AND A DEFICIT ELIMINATION PLAN
4 APPROVED BY THE BOARD OF THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL
5 DISTRICT, OR PUBLIC SCHOOL ACADEMY, WITH A COPY TO THE STATE
6 TREASURER. A SCHOOL DISTRICT SHALL TRANSMIT A COPY OF THE AMENDED
7 BUDGET AND THE DEFICIT ELIMINATION PLAN TO THE INTERMEDIATE
8 SUPERINTENDENT OF THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE
9 SCHOOL DISTRICT IS LOCATED. A PUBLIC SCHOOL ACADEMY SHALL TRANSMIT
10 A COPY OF THE AMENDED BUDGET AND THE DEFICIT ELIMINATION PLAN TO
11 ITS AUTHORIZING BODY.

12 (D) THE DEPARTMENT MAY WITHHOLD AND RELEASE SOME OR ALL OF THE
13 MONEY PAYABLE TO THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT,
14 OR PUBLIC SCHOOL ACADEMY AS PROVIDED UNDER SECTION 102 OF THE STATE
15 SCHOOL AID ACT OF 1979, MCL 388.1702.

16 (E) THE SUPERINTENDENT OF PUBLIC INSTRUCTION MAY REQUIRE A
17 DEFICIT ELIMINATION PLAN TO INCLUDE AN ACADEMIC PLAN FOR THE SCHOOL
18 DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY.

19 (F) AFTER THE SUPERINTENDENT OF PUBLIC INSTRUCTION APPROVES A
20 SCHOOL DISTRICT'S, INTERMEDIATE SCHOOL DISTRICT'S, OR PUBLIC SCHOOL
21 ACADEMY'S DEFICIT ELIMINATION PLAN, THE SCHOOL DISTRICT,
22 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY SHALL POST
23 THE DEFICIT ELIMINATION PLAN ON THE SCHOOL DISTRICT'S, INTERMEDIATE
24 SCHOOL DISTRICT'S, OR PUBLIC SCHOOL ACADEMY'S WEBSITE.

25 (2) TO ASSURE GREATER COORDINATION AND EFFECTIVE PARTNERSHIPS
26 IN THE DEVELOPMENT AND IMPLEMENTATION OF A DEFICIT ELIMINATION PLAN
27 UNDER SUBSECTION (1), WHEN ADMINISTERING SUBSECTIONS (1), (4), AND

1 (5), THE DEPARTMENT SHALL CONSULT WITH ALL OF THE FOLLOWING:

2 (A) THE DEPARTMENT OF TREASURY.

3 (B) THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR
4 PUBLIC SCHOOL ACADEMY REQUIRED TO SUBMIT A DEFICIT ELIMINATION PLAN
5 UNDER SUBSECTION (1).

6 (C) FOR A SCHOOL DISTRICT REQUIRED TO SUBMIT A DEFICIT
7 ELIMINATION PLAN UNDER SUBSECTION (1), THE INTERMEDIATE
8 SUPERINTENDENT OF THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE
9 SCHOOL DISTRICT IS LOCATED.

10 (D) FOR A PUBLIC SCHOOL ACADEMY REQUIRED TO SUBMIT A DEFICIT
11 ELIMINATION PLAN UNDER SUBSECTION (1), THE AUTHORIZING BODY OF THE
12 PUBLIC SCHOOL ACADEMY.

13 (3) NOT LATER THAN MARCH 1 OF EACH YEAR, THE DEPARTMENT SHALL
14 PREPARE A REPORT OF DEFICITS INCURRED OR PROJECTED BY SCHOOL
15 DISTRICTS, INTERMEDIATE SCHOOL DISTRICTS, AND PUBLIC SCHOOL
16 ACADEMIES IN THE IMMEDIATELY PRECEDING FISCAL YEAR AND THE PROGRESS
17 MADE IN REDUCING THOSE DEFICITS AND SUBMIT THE REPORT TO THE
18 STANDING COMMITTEES OF THE LEGISLATURE RESPONSIBLE FOR K-12
19 EDUCATION LEGISLATION, THE APPROPRIATIONS SUBCOMMITTEES OF THE
20 LEGISLATURE RESPONSIBLE FOR K-12 SCHOOL AID APPROPRIATIONS, THE
21 HOUSE AND SENATE FISCAL AGENCIES, THE STATE TREASURER, AND THE
22 STATE BUDGET DIRECTOR. THE DEPARTMENT ALSO SHALL SUBMIT QUARTERLY
23 INTERIM REPORTS CONCERNING THE PROGRESS MADE BY SCHOOL DISTRICTS,
24 INTERMEDIATE SCHOOL DISTRICTS, AND PUBLIC SCHOOL ACADEMIES IN
25 REDUCING THOSE DEFICITS TO THE STANDING COMMITTEES OF THE
26 LEGISLATURE RESPONSIBLE FOR K-12 EDUCATION LEGISLATION, THE
27 APPROPRIATIONS SUBCOMMITTEES OF THE LEGISLATURE RESPONSIBLE FOR K-

1 12 SCHOOL AID APPROPRIATIONS, THE HOUSE AND SENATE FISCAL AGENCIES,
2 THE STATE TREASURER, AND THE STATE BUDGET DIRECTOR. ON A QUARTERLY
3 BASIS, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL PUBLICLY
4 PRESENT THOSE REPORTS TO THE APPROPRIATIONS SUBCOMMITTEES OF THE
5 LEGISLATURE RESPONSIBLE FOR K-12 SCHOOL AID APPROPRIATIONS.

6 (4) A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC
7 SCHOOL ACADEMY REQUIRED TO SUBMIT A DEFICIT ELIMINATION PLAN UNDER
8 THIS SECTION SHALL SUBMIT TO THE SUPERINTENDENT OF PUBLIC
9 INSTRUCTION AND THE STATE TREASURER A MONTHLY MONITORING REPORT ON
10 REVENUE AND EXPENDITURES IN A FORM AND MANNER PRESCRIBED BY THE
11 DEPARTMENT AND SHALL POST THESE REPORTS ON ITS WEBSITE. A SCHOOL
12 DISTRICT SHALL TRANSMIT A COPY OF EACH REPORT UNDER THIS SUBSECTION
13 TO THE INTERMEDIATE SUPERINTENDENT OF THE INTERMEDIATE SCHOOL
14 DISTRICT IN WHICH THE SCHOOL DISTRICT IS LOCATED. A PUBLIC SCHOOL
15 ACADEMY SHALL TRANSMIT A COPY OF EACH REPORT UNDER THIS SECTION TO
16 THE AUTHORIZING BODY OF THE PUBLIC SCHOOL ACADEMY. A SCHOOL
17 DISTRICT MAY CONTRACT WITH ITS INTERMEDIATE SCHOOL DISTRICT OR
18 ANOTHER ENTITY TO PROVIDE THE MONTHLY MONITORING REPORT.

19 (5) IF A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR
20 PUBLIC SCHOOL ACADEMY IS REQUIRED TO SUBMIT A DEFICIT ELIMINATION
21 PLAN UNDER THIS SECTION, AND THE DEFICIT ELIMINATION PLAN IS
22 APPROVED BY THE DEPARTMENT, THE SUPERINTENDENT OF PUBLIC
23 INSTRUCTION MAY CONTINUE ALLOTMENT AND PAYMENT OF FUNDS AS PROVIDED
24 UNDER SECTION 102 OF THE STATE SCHOOL AID ACT OF 1979, MCL
25 388.1702. WHEN APPROVING A DEFICIT ELIMINATION PLAN, THE
26 SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ESTABLISH THE PERIOD OF
27 TIME WITHIN WHICH A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT,

1 OR PUBLIC SCHOOL ACADEMY MUST ELIMINATE ITS DEFICIT AND MAY SET
2 SPECIAL CONDITIONS THAT THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL
3 DISTRICT, OR PUBLIC SCHOOL ACADEMY MUST MEET WHILE THE DEFICIT
4 ELIMINATION PLAN IS IN EFFECT. AFTER THE DEPARTMENT APPROVES A
5 SCHOOL DISTRICT'S, INTERMEDIATE SCHOOL DISTRICT'S, OR PUBLIC SCHOOL
6 ACADEMY'S DEFICIT ELIMINATION PLAN UNDER THIS SUBSECTION, THE
7 SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL
8 ACADEMY SHALL POST THE DEFICIT ELIMINATION PLAN ON THE SCHOOL
9 DISTRICT'S, INTERMEDIATE SCHOOL DISTRICT'S, OR PUBLIC SCHOOL
10 ACADEMY'S WEBSITE. THE REQUIREMENTS OF THIS SECTION RELATING TO A
11 DEFICIT ELIMINATION PLAN DO NOT APPLY TO A SCHOOL DISTRICT,
12 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY IF THE
13 SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL
14 ACADEMY IS REQUIRED TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN
15 UNDER SUBSECTION (6).

16 (6) IF, BASED UPON INFORMATION INCLUDED IN A PERIODIC
17 FINANCIAL STATUS REPORT REQUIRED UNDER SECTION 1219, A PREPLAN
18 FINANCIAL REPORT REQUIRED UNDER THIS SECTION, A DEFICIT ELIMINATION
19 PLAN REQUIRED UNDER THIS SECTION, OR A REQUEST BY THE
20 SUPERINTENDENT OF PUBLIC INSTRUCTION, THE STATE TREASURER
21 DETERMINES THAT A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR
22 PUBLIC SCHOOL ACADEMY IS SUBJECT TO RAPIDLY DETERIORATING FINANCIAL
23 CIRCUMSTANCES, PERSISTENTLY DECLINING ENROLLMENT, OR OTHER
24 INDICATORS OF FINANCIAL STRESS LIKELY TO RESULT IN RECURRING
25 OPERATING DEFICITS OR RECURRING FINANCIAL STRESS WITHIN THE SCHOOL
26 DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY,
27 THE STATE TREASURER MAY REQUIRE THE SCHOOL DISTRICT, INTERMEDIATE

1 SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY TO SUBMIT AN ENHANCED
2 DEFICIT ELIMINATION PLAN IN THE FORM AND MANNER DETERMINED BY THE
3 DEPARTMENT OF TREASURY. IF A DEFICIT FOR A SCHOOL DISTRICT,
4 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY HAS NOT BEEN
5 COMPLETELY ELIMINATED WITHIN 5 YEARS AFTER IT SUBMITTED ITS INITIAL
6 DEFICIT ELIMINATION PLAN, THE STATE TREASURER SHALL REQUIRE THE
7 SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL
8 ACADEMY TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN UNDER THIS
9 SUBSECTION. AN ENHANCED DEFICIT ELIMINATION PLAN SHALL PROVIDE FOR
10 THE RESOLUTION OF THE DETERIORATING FINANCIAL CIRCUMSTANCES,
11 PERSISTENTLY DECLINING ENROLLMENT, OR OTHER INDICATORS OF RECURRING
12 OPERATING DEFICITS OR RECURRING FINANCIAL STRESS AND IS SUBJECT TO
13 APPROVAL BY THE STATE TREASURER. AS A CONDITION OF APPROVING THE
14 ENHANCED DEFICIT ELIMINATION PLAN, THE STATE TREASURER MAY REQUIRE
15 A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL
16 ACADEMY REQUIRED TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN
17 UNDER THIS SECTION TO ENTER INTO A FINANCIAL RECOVERY AGREEMENT
18 WITH THE STATE TREASURER. A FINANCIAL RECOVERY AGREEMENT MAY
19 PROVIDE FOR, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING:

20 (A) ASSISTANCE AND GUIDANCE FROM THE DEPARTMENT OF TREASURY
21 AND OTHER STATE DEPARTMENTS AND AGENCIES.

22 (B) A FINANCIAL AND OPERATING PLAN FOR THE SCHOOL DISTRICT,
23 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY.

24 (C) THE APPOINTMENT OF A LOCAL AUDITOR OR INSPECTOR, OR BOTH.

25 (D) REMEDIAL MEASURES OR OTHER ACTION UNDER THIS ACT NECESSARY
26 TO ADDRESS THE FINANCIAL CIRCUMSTANCES OF THE SCHOOL DISTRICT,
27 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY.

1 (E) THE REQUIRED RETENTION BY THE SCHOOL DISTRICT,
2 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY OF A
3 CONSULTANT OR 1 OR MORE OTHER EXPERTS FOR THE PURPOSE OF ASSISTING
4 THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL
5 ACADEMY TO ACHIEVE THE GOALS AND OBJECTIVES OF THE FINANCIAL
6 RECOVERY AGREEMENT.

7 (7) BEFORE A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR
8 PUBLIC SCHOOL ACADEMY SUBMITS AN ENHANCED DEFICIT ELIMINATION PLAN
9 TO THE STATE TREASURER UNDER SUBSECTION (6), THE BOARD OF THE
10 SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT OR BOARD OF
11 DIRECTORS OF THE PUBLIC SCHOOL ACADEMY SHALL APPROVE THE PLAN. IF A
12 SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL
13 ACADEMY IS REQUIRED TO SUBMIT AN ENHANCED DEFICIT ELIMINATION PLAN
14 UNDER SUBSECTION (6), SOME OR ALL OF THE MONEY PAYABLE TO THE
15 SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL
16 ACADEMY UNDER THE STATE SCHOOL AID ACT OF 1979 MAY BE WITHHELD AND
17 RELEASED AS PROVIDED UNDER SECTION 102 OF THE STATE SCHOOL AID ACT
18 OF 1979, MCL 388.1702. WHEN APPROVING AN ENHANCED DEFICIT
19 ELIMINATION PLAN, THE STATE TREASURER MAY ESTABLISH THE PERIOD OF
20 TIME WITHIN WHICH A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT,
21 OR PUBLIC SCHOOL ACADEMY MUST ELIMINATE ITS DEFICIT AND MAY SET
22 SPECIAL CONDITIONS THAT THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL
23 DISTRICT, OR PUBLIC SCHOOL ACADEMY MUST MEET WHILE THE DEFICIT
24 ELIMINATION PLAN IS IN EFFECT.

25 (8) TO ASSURE GREATER COORDINATION AND EFFECTIVE PARTNERSHIPS
26 IN THE DEVELOPMENT AND IMPLEMENTATION OF AN ENHANCED DEFICIT
27 ELIMINATION PLAN UNDER SUBSECTION (6), WHEN ADMINISTERING

1 SUBSECTIONS (6), (7), AND (10), THE DEPARTMENT OF TREASURY SHALL
2 CONSULT WITH ALL OF THE FOLLOWING:

3 (A) THE DEPARTMENT.

4 (B) THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR
5 PUBLIC SCHOOL ACADEMY REQUIRED TO SUBMIT AN ENHANCED DEFICIT
6 ELIMINATION PLAN UNDER SUBSECTION (6).

7 (C) FOR A SCHOOL DISTRICT REQUIRED TO SUBMIT AN ENHANCED
8 DEFICIT ELIMINATION PLAN UNDER SUBSECTION (6), THE INTERMEDIATE
9 SUPERINTENDENT OF THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE
10 SCHOOL DISTRICT IS LOCATED.

11 (D) FOR A PUBLIC SCHOOL ACADEMY REQUIRED TO SUBMIT AN ENHANCED
12 DEFICIT ELIMINATION PLAN UNDER SUBSECTION (6), THE AUTHORIZING BODY
13 OF THE PUBLIC SCHOOL ACADEMY.

14 (9) AFTER THE STATE TREASURER APPROVES AN ENHANCED DEFICIT
15 ELIMINATION PLAN FOR A SCHOOL DISTRICT, INTERMEDIATE SCHOOL
16 DISTRICT, OR PUBLIC SCHOOL ACADEMY, THE SCHOOL DISTRICT,
17 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY SHALL POST
18 THE ENHANCED DEFICIT ELIMINATION PLAN ON THE SCHOOL DISTRICT'S,
19 INTERMEDIATE SCHOOL DISTRICT'S, OR PUBLIC SCHOOL ACADEMY'S WEBSITE.

20 (10) IF A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR
21 PUBLIC SCHOOL ACADEMY IS REQUIRED TO SUBMIT AN ENHANCED DEFICIT
22 ELIMINATION PLAN UNDER SUBSECTION (6), THE SCHOOL DISTRICT,
23 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY SHALL SUBMIT
24 TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE STATE TREASURER
25 AN ENHANCED MONTHLY MONITORING REPORT ON REVENUE, EXPENDITURES,
26 CASH FLOW, DEBT, OTHER LIABILITIES, ASSETS, BUDGET AMENDMENTS,
27 PUPIL MEMBERSHIP, AND OTHER DATA RELATING TO THE FINANCES OF THE

1 SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL
2 ACADEMY IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF
3 TREASURY AND SHALL POST THESE REPORTS ON ITS WEBSITE.

4 (11) AS USED IN THIS SECTION:

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

7 (B) "DEFICIT ELIMINATION PLAN" MEANS A PLAN REQUIRED UNDER
8 THIS SECTION FOR THE ELIMINATION OF A DEFICIT THAT SETS FORTH
9 ACTIONS TO BE TAKEN TO ELIMINATE THE DEFICIT WITHIN THE TIME PERIOD
10 PRESCRIBED BY THE DEPARTMENT.

11 (C) "DEFICIT FUND BALANCE" MEANS THAT TERM AS DEFINED IN THE
12 MICHIGAN PUBLIC SCHOOL ACCOUNTING MANUAL PUBLISHED BY THE
13 DEPARTMENT.

14 (D) "ENHANCED DEFICIT ELIMINATION PLAN" MEANS MEASURES
15 REQUIRED BY THE STATE TREASURER UNDER THIS SECTION TO ADDRESS THE
16 FINANCIAL CONDITIONS WITHIN A SCHOOL DISTRICT, INTERMEDIATE SCHOOL
17 DISTRICT, OR PUBLIC SCHOOL ACADEMY AND RESOLVE ANY DEFICIT WITHIN
18 THE TIME PERIOD PRESCRIBED BY THE STATE TREASURER.

19 (E) "PREPLAN FINANCIAL REPORT" MEANS A REPORT ON THE FINANCIAL
20 CONDITIONS WITHIN A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT,
21 OR PUBLIC SCHOOL ACADEMY REQUIRED UNDER THIS SECTION AND SUBMITTED
22 IN A FORM AND MANNER PRESCRIBED BY THE STATE TREASURER, WHICH MAY
23 INCLUDE, BUT IS NOT LIMITED TO, FINANCIAL DATA AND OTHER
24 INFORMATION ON LIABILITIES, PAYMENTS, ENROLLMENT, BORROWING, AND
25 OTHER CRITERIA RELATING TO THE FINANCIAL CONDITIONS WITHIN A SCHOOL
26 DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY.

27 Enacting section 1. This amendatory act does not take effect

1 unless all of the following bills of the 97th Legislature are
2 enacted into law:

3 (a) Senate Bill No. 951.

4 (b) Senate Bill No. 954.

5 (c) Senate Bill No. 957.