

LOCAL GOVERNMENT FISCAL RESPONSIBILITY ACT (EXCERPT)
Act 72 of 1990

***** 141.1241 THIS SECTION IS REPEALED BY ACT 436 OF 2012 EFFECTIVE MARCH 28, 2013 *****

141.1241 Control over fiscal matters; fiscal decisions; actions by emergency financial manager; authorization to proceed under federal law; school district as debtor.

Sec. 41. (1) Upon appointment under section 38, an emergency financial manager shall immediately assume control over all fiscal matters of, and make all fiscal decisions for, the school district for which he or she is appointed.

(2) In implementing this article and performing his or her functions under this article, an emergency financial manager may take 1 or more of the following actions:

- (a) Examine the books and records of the school district.
 - (b) Review payrolls or other claims against the school district before payment.
 - (c) Negotiate, renegotiate, approve, and enter into contracts on behalf of the school district.
 - (d) Receive and disburse on behalf of the school district all federal, state, and local funds earmarked for the school district. These funds may include, but are not limited to, funds for specific programs and the retirement of debt.
 - (e) Adopt a final budget for the next school fiscal year and amend any adopted budget of the school district.
 - (f) Act as an agent of the school district in collective bargaining and, to the extent possible under state labor law, renegotiate existing and negotiate new labor agreements.
 - (g) Analyze factors contributing to the financial condition of the school district and recommend to the legislature steps that need to be taken to improve the district's financial condition.
 - (h) Require compliance with his or her orders, by court action if necessary.
 - (i) Require the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the school district.
 - (j) Recommend to the governor, the legislature, and the state board that the school district be reorganized with 1 or more contiguous school districts.
 - (k) Consolidate divisions or transfer functions from 1 division to another division within the school district and appoint, supervise, and, at his or her discretion, remove, within legal limitations, heads of divisions of the school district.
 - (l) Create a new position or approve or disapprove the creation of any new position or the filling of a vacancy in a permanent position by an appointing authority.
 - (m) Seek approval from the state board for a reduced class schedule in accordance with administrative rules governing the distribution of state school aid.
 - (n) Employ or contract for, at the expense of the school district and with the approval of the superintendent of public instruction, auditors and other technical personnel considered necessary to implement this article.
 - (o) Reduce expenditures in the budget of the school district.
 - (p) Borrow money on behalf of the school district.
 - (q) Approve or disapprove of the issuance of obligations of the school district.
 - (r) Order, as necessary, 1 or more school millage elections for the school district consistent with the school code of 1976, the Michigan election law, Act No. 116 of the Public Acts of 1954, being sections 168.1 to 168.992 of the Michigan Compiled Laws, and sections 6 and 25 through 34 of article IX of the state constitution of 1963.
 - (s) Sell or otherwise use the assets of the school district to meet past or current obligations, provided the use of assets for this purpose does not impair the education of the pupils of the district.
 - (t) Exercise the authority and responsibilities affecting the financial condition of the school district that are prescribed by law to the school board and superintendent of the school district.
- (3) After giving written notice to the superintendent of public instruction, the emergency financial manager may authorize the school district to proceed under chapter 9 of title 11 of the United States Code, 11 U.S.C. 901 to 904, 921 to 932, and 941 to 946. This section empowers the school district for which an emergency financial manager has been appointed to become a debtor under chapter 9 of title 11 of the United States Code.

History: 1990, Act 72, Imd. Eff. May 15, 1990.