

SUBSTITUTE FOR  
HOUSE BILL NO. 4325

(as amended April 23, 2015)

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
(MCL 380.1 to 380.1852) by adding section 1219.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 1219. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2),  
2        BEFORE JULY 7 OF EACH SCHOOL FISCAL YEAR, EACH SCHOOL DISTRICT AND  
3        PUBLIC SCHOOL ACADEMY SHALL TRANSMIT TO CEPI THE BUDGETARY  
4        ASSUMPTIONS USED WHEN ADOPTING ITS ANNUAL BUDGET PURSUANT TO THE  
5        UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL 141.421 TO  
6        141.440A. [HOWEVER, A SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY THAT HAD A  
7        POSITIVE GENERAL FUND BALANCE OF AT LEAST 8% OF TOTAL GENERAL FUND  
8        REVENUES FOR EACH OF 2 MOST RECENTLY COMPLETED SCHOOL FISCAL YEARS IS NOT  
9        REQUIRED TO TRANSMIT THE BUDGETARY ASSUMPTIONS UNDER THIS SUBSECTION.]  
10        AFTER RECEIPT BY CEPI, CEPI SHALL COMPILE AND TRANSMIT  
11        THE BUDGETARY ASSUMPTIONS TO THE DEPARTMENT OF TREASURY. THE  
12        SUBMISSION OF THE BUDGETARY ASSUMPTIONS UNDER THIS SUBSECTION SHALL  
13        BE IN THE FORM PRESCRIBED BY CEPI AND SHALL INCLUDE AT LEAST ALL OF  
14        THE FOLLOWING INFORMATION:  
15        (A) THE PROJECTED FOUNDATION ALLOWANCE FOR THE SCHOOL DISTRICT

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1 OR PUBLIC SCHOOL ACADEMY USED BY ITS GOVERNING BODY WHEN ADOPTING  
2 THE BUDGET FOR THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY FOR THE  
3 CURRENT SCHOOL FISCAL YEAR.

4 (B) THE PROJECTED MEMBERSHIP OF THE SCHOOL DISTRICT OR PUBLIC  
5 SCHOOL ACADEMY USED WHEN ADOPTING THE BUDGET OF THE SCHOOL DISTRICT  
6 OR PUBLIC SCHOOL ACADEMY FOR THE CURRENT SCHOOL FISCAL YEAR.

7 (C) THE EXPENDITURES PER PUPIL FOR THE SCHOOL DISTRICT OR  
8 PUBLIC SCHOOL ACADEMY FOR THE IMMEDIATELY PRECEDING SCHOOL FISCAL  
9 YEAR, CALCULATED BY DIVIDING TOTAL GENERAL FUND OPERATING  
10 EXPENDITURES FOR THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY  
11 DURING THAT SCHOOL FISCAL YEAR BY THE MEMBERSHIP FOR THE SCHOOL  
12 DISTRICT OR PUBLIC SCHOOL ACADEMY REPORTED BY THE DEPARTMENT IN THE  
13 MOST RECENT STATE AID FINANCIAL STATUS REPORT FOR THE MONTH OF MAY.

14 (D) THE PROJECTED EXPENDITURES PER PUPIL FOR THE SCHOOL  
15 DISTRICT OR PUBLIC SCHOOL ACADEMY FOR THE CURRENT SCHOOL FISCAL  
16 YEAR, CALCULATED BY DIVIDING THE TOTAL GENERAL FUND OPERATING  
17 EXPENDITURES AUTHORIZED BY THE GOVERNING BODY OF THE SCHOOL  
18 DISTRICT OR THE PUBLIC SCHOOL ACADEMY WHEN ADOPTING THE BUDGET FOR  
19 THE CURRENT SCHOOL FISCAL YEAR BY THE PROJECTED MEMBERSHIP OF THE  
20 SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY USED WHEN ADOPTING THE  
21 BUDGET OF THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY FOR THE  
22 CURRENT SCHOOL FISCAL YEAR.

23 (2) IF AN AUTHORIZING BODY SUBMITS A BUDGETARY ASSUMPTION  
24 REPORT REQUIRED UNDER SUBSECTION (1) ON BEHALF OF EACH PUBLIC  
25 SCHOOL ACADEMY AUTHORIZED BY THAT AUTHORIZING BODY [ THAT WOULD OTHERWISE  
26 BE REQUIRED TO SUBMIT BUDGETARY ASSUMPTIONS UNDER SUBSECTION (1), THEN  
THOSE PUBLIC SCHOOL ACADEMIES ARE] NOT REQUIRED  
27 TO SUBMIT THE BUDGETARY ASSUMPTION REPORT REQUIRED UNDER SUBSECTION

1 (1) .

2 (3) IF A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR  
3 PUBLIC SCHOOL ACADEMY, OR THE AUTHORIZING BODY OF A PUBLIC SCHOOL  
4 ACADEMY, DETERMINES THAT CONDITIONS OF FISCAL STRESS, A DEFICIT, OR  
5 CONDITIONS INDICATING A POTENTIAL FINANCIAL EMERGENCY HAVE ARISEN  
6 OR MAY ARISE FOR THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT,  
7 OR PUBLIC SCHOOL ACADEMY, THAT SCHOOL DISTRICT, INTERMEDIATE SCHOOL  
8 DISTRICT, PUBLIC SCHOOL ACADEMY, OR AUTHORIZING BODY SHALL NOTIFY  
9 THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND REQUEST TECHNICAL  
10 ASSISTANCE FROM THIS STATE IN ADDRESSING THE FISCAL STRESS,  
11 DEFICIT, OR POTENTIAL FINANCIAL EMERGENCY. THE SUPERINTENDENT OF  
12 PUBLIC INSTRUCTION SHALL NOTIFY THE STATE TREASURER OF ANY REQUEST  
13 FOR TECHNICAL ASSISTANCE UNDER THIS SUBSECTION.

14 (4) A SCHOOL DISTRICT THAT REQUESTS ASSISTANCE UNDER  
15 SUBSECTION (3) SHALL PROVIDE A COPY OF THE NOTICE AND REQUEST TO  
16 THE SUPERINTENDENT OF THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE  
17 SCHOOL DISTRICT IS LOCATED. A PUBLIC SCHOOL ACADEMY THAT REQUESTS  
18 ASSISTANCE UNDER SUBSECTION (3) SHALL PROVIDE A COPY OF THE NOTICE  
19 AND REQUEST TO ITS AUTHORIZING BODY.

20 (5) WITHIN 45 DAYS AFTER RECEIVING A REQUEST FOR ASSISTANCE  
21 UNDER SUBSECTION (3), THE DEPARTMENT SHALL CONSULT WITH THE  
22 DEPARTMENT OF TREASURY REGARDING THE PROVISION OF TECHNICAL  
23 ASSISTANCE TO THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR  
24 PUBLIC SCHOOL ACADEMY. SUBJECT TO AVAILABLE RESOURCES, THE  
25 DEPARTMENT AND THE DEPARTMENT OF TREASURY SHALL REVIEW THE  
26 FINANCIAL CONDITION AND THE BUDGET OF THE SCHOOL DISTRICT,  
27 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY, AND, AFTER

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1 CONSULTATION WITH THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL  
2 DISTRICT, OR PUBLIC SCHOOL ACADEMY, PROVIDE TECHNICAL ASSISTANCE,  
3 INCLUDING, BUT NOT LIMITED TO, DATA ANALYSIS TOOLS, WITH THE  
4 OBJECTIVE OF ASSISTING THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL  
5 DISTRICT, OR PUBLIC SCHOOL ACADEMY IN AVOIDING CONDITIONS OF FISCAL  
6 STRESS, A DEFICIT, OR A POTENTIAL FINANCIAL EMERGENCY BEFORE  
7 FURTHER STATE INTERVENTION.

8 (6) A SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY IS NOT REQUIRED  
9 TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER THIS SECTION  
10 UNLESS THE STATE TREASURER FIRST MAKES THE DETERMINATION REQUIRED  
11 BY THIS SUBSECTION BASED UPON 1 OR MORE OF THE FACTORS DESCRIBED IN  
12 SUBDIVISIONS (A) TO (G). [SUBJECT TO SUBSECTION (9), THE] STATE TREASURER  
MAY REQUIRE A SCHOOL

13 DISTRICT OR PUBLIC SCHOOL ACADEMY TO SUBMIT PERIODIC FINANCIAL  
14 STATUS REPORTS UNDER THIS SECTION IF THE STATE TREASURER DETERMINES  
15 THAT POTENTIAL FINANCIAL STRESS MAY EXIST WITHIN THE SCHOOL  
16 DISTRICT OR PUBLIC SCHOOL ACADEMY, THAT A DEFICIT IS PROJECTED TO  
17 ARISE WITHIN THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY DURING  
18 THE CURRENT SCHOOL FISCAL YEAR OR THE NEXT 2 SCHOOL FISCAL YEARS,  
19 OR THAT THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY MAY BE UNABLE  
20 TO MEET ITS FINANCIAL OBLIGATIONS WHILE ALSO SATISFYING ITS  
21 OBLIGATIONS OR ABILITY TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A  
22 MANNER THAT COMPLIES WITH THIS ACT, THE STATE SCHOOL AID ACT, AND  
23 APPLICABLE RULES BASED UPON 1 OR MORE OF THE FOLLOWING:

24 (A) THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY HAS FAILED TO  
25 PAY A REQUIRED OBLIGATION ONCE OR MORE IN A SCHOOL FISCAL YEAR.

26 (B) THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY HAS EXPENDED  
27 OR DISTRIBUTED TAX REVENUE IN A MANNER PROHIBITED BY LAW.

1 (C) THE SCHOOL DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S PUPIL  
2 ENROLLMENT HAS DECLINED BY 5% OR MORE IN A SINGLE SCHOOL FISCAL  
3 YEAR OR BY 15% OR MORE OVER A PERIOD OF 3 OR MORE FISCAL YEARS AND  
4 THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY FAILED TO REDUCE  
5 EXPENDITURES IN A MANNER THAT ADDRESSED THE ENROLLMENT DECLINE.

6 (D) THE SCHOOL DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S  
7 EXPENDITURES PER PUPIL HAVE INCREASED BY 5% OR MORE IN THE MOST  
8 RECENT SCHOOL FISCAL YEAR AS COMPARED TO THE IMMEDIATELY PRECEDING  
9 SCHOOL FISCAL YEAR. AS USED IN THIS SUBDIVISION, "EXPENDITURES PER  
10 PUPIL" MEANS THE QUOTIENT OF DIVIDING THE TOTAL GENERAL FUND  
11 OPERATING EXPENDITURES FOR A SCHOOL FISCAL YEAR BY THE FINAL  
12 AUDITED NUMBER OF PUPILS IN MEMBERSHIP FOR THE STATE FISCAL YEAR IN  
13 WHICH THAT SCHOOL FISCAL YEAR ENDED.

14 (E) THE SCHOOL DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S ACTUAL  
15 ENROLLMENT FOR A SCHOOL FISCAL YEAR WAS 96% OR LESS OF THE  
16 ENROLLMENT USED IN THE SCHOOL DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S  
17 BUDGETARY ASSUMPTIONS REPORTED UNDER SUBSECTION (1) OR (2) FOR THE  
18 SCHOOL FISCAL YEAR AND THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY  
19 FAILED TO ADOPT AN AMENDED BUDGET REFLECTING THE ACTUAL ENROLLMENT  
20 FOR THE SCHOOL FISCAL YEAR BY NOVEMBER 15 OF THE SCHOOL FISCAL  
21 YEAR.

22 (F) THE SCHOOL DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S ACTUAL  
23 FOUNDATION ALLOWANCE FOR A SCHOOL FISCAL YEAR WAS 98% OR LESS OF  
24 THE SCHOOL DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S BUDGETARY  
25 ASSUMPTIONS REPORTED UNDER SUBSECTION (1) OR (2) FOR THE SCHOOL  
26 FISCAL YEAR AND THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY FAILED  
27 TO ADOPT AN AMENDED BUDGET REFLECTING THE ACTUAL FOUNDATION

1 ALLOWANCE FOR THE SCHOOL FISCAL YEAR BY NOVEMBER 15 OF THE SCHOOL  
2 FISCAL YEAR.

3 (G) THE SCHOOL DISTRICT HAS APPLIED FOR A LOAN UNDER THE  
4 EMERGENCY MUNICIPAL LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942.

5 (7) IF A SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY IS REQUIRED  
6 TO SUBMIT PERIODIC FINANCIAL REPORTS UNDER SUBSECTION (6), THE  
7 SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY SHALL DO ALL OF THE  
8 FOLLOWING:

9 (A) SUBMIT A PERIODIC FINANCIAL STATUS REPORT IN THE FORM AND  
10 MANNER AND ON THE PERIODIC BASIS PRESCRIBED BY THE DEPARTMENT OF  
11 TREASURY AFTER CONSULTATION WITH CEPI, AFTER APPROVAL BY THE  
12 GOVERNING BODY OF THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY.

13 (B) TRANSMIT A COPY OF EACH PERIODIC FINANCIAL STATUS REPORT  
14 REQUIRED UNDER THIS SECTION TO THE MEMBERS OF ITS GOVERNING BODY  
15 FOR APPROVAL.

16 (C) PROVIDE THE DEPARTMENT OF TREASURY WITH OTHER FINANCIAL  
17 DATA OR INFORMATION RELATING TO THE FINANCIAL CONDITIONS OF THE  
18 SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY AS REQUESTED BY THE  
19 DEPARTMENT OF TREASURY.

20 (D) ALLOW THE DEPARTMENT OF TREASURY TO EXAMINE FINANCIAL  
21 RECORDS AND BOOKS OF ACCOUNT OF THE SCHOOL DISTRICT OR PUBLIC  
22 SCHOOL ACADEMY.

23 (E) PROMPTLY AND FULLY PROVIDE THE ASSISTANCE AND INFORMATION  
24 NECESSARY AND PROPERLY REQUESTED BY THE DEPARTMENT OF TREASURY IN  
25 THE EXERCISE OF THE DEPARTMENT OF TREASURY'S DUTIES UNDER THIS  
26 SECTION.

27 (8) IF A SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY FAILS TO

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1 SUBMIT A PERIODIC FINANCIAL STATUS REPORT REQUIRED UNDER THIS  
2 SECTION, OR IF THE STATE TREASURER DETERMINES THAT INFORMATION  
3 INCLUDED ON A PERIODIC FINANCIAL STATUS REPORT INDICATES THAT  
4 FINANCIAL STRESS EXISTS WITHIN THE SCHOOL DISTRICT OR PUBLIC SCHOOL  
5 ACADEMY THAT A DEFICIT HAS OCCURRED, OR THAT A DEFICIT IS PROJECTED  
6 TO OCCUR WITHIN THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY WITHIN  
7 THE CURRENT SCHOOL FISCAL YEAR OR THE NEXT SCHOOL FISCAL YEAR THAT  
8 THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY LACKS THE CAPACITY TO  
9 ADDRESS WITHOUT STATE ASSISTANCE, THE STATE TREASURER MAY REQUIRE  
10 THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY TO SUBMIT AN ENHANCED  
11 DEFICIT ELIMINATION PLAN UNDER SECTION 1220.

12 (9) A SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY IS NOT REQUIRED  
13 TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER THIS SECTION IF  
14 [EITHER OF THE FOLLOWING APPLIES:

(A) THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY HAD A POSITIVE  
GENERAL FUND BALANCE OF AT LEAST 8% OF TOTAL GENERAL FUND REVENUES FOR  
EACH OF 2 MOST RECENTLY COMPLETED SCHOOL FISCAL YEARS.

(B) THE] SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY IS REQUIRED TO  
SUBMIT

15 A DEFICIT ELIMINATION PLAN OR AN ENHANCED DEFICIT ELIMINATION PLAN  
16 UNDER SECTION 1220, OR IF A FINANCIAL EMERGENCY HAS BEEN DECLARED  
17 FOR THE SCHOOL DISTRICT UNDER THE LOCAL FINANCIAL STABILITY AND  
18 CHOICE ACT, 2012 PA 436, MCL 141.1541 TO 141.1575.

[(10)] IF A SCHOOL

19 DISTRICT IS REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS  
20 UNDER THIS SECTION AND A LOAN IS ISSUED TO THE SCHOOL DISTRICT  
21 UNDER THE EMERGENCY LOAN ACT, 1980 PA 243, MCL 141.931 TO 141.942,  
22 THE STATE TREASURER SHALL REQUIRE THE SCHOOL DISTRICT TO SUBMIT  
23 PERIODIC FINANCIAL STATUS REPORTS UNDER THIS SECTION FOR AT LEAST 4  
24 YEARS AFTER THE DATE OF ISSUANCE OF THE LOAN.

25 [(11)] A SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY IS NO LONGER  
26 REQUIRED TO SUBMIT PERIODIC FINANCIAL STATUS REPORTS UNDER THIS  
27 SECTION IF THE STATE TREASURER DETERMINES THAT THE PERIODIC

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1 FINANCIAL STATUS REPORTS SUBMITTED BY THE SCHOOL DISTRICT OR PUBLIC  
2 SCHOOL ACADEMY INDICATE THAT POTENTIAL FINANCIAL STRESS DOES NOT  
3 EXIST WITHIN THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY; THAT A  
4 DEFICIT IS NOT PROJECTED TO ARISE WITHIN THE SCHOOL DISTRICT OR  
5 PUBLIC SCHOOL ACADEMY WITHIN THE CURRENT SCHOOL FISCAL YEAR OR THE  
6 NEXT 2 SCHOOL FISCAL YEARS; AND THAT THE SCHOOL DISTRICT OR PUBLIC  
7 SCHOOL ACADEMY WILL BE ABLE TO MEET ITS FINANCIAL OBLIGATIONS WHILE  
8 ALSO SATISFYING THE SCHOOL DISTRICT'S OR PUBLIC SCHOOL ACADEMY'S  
9 OBLIGATIONS OR ABILITY TO PROVIDE PUBLIC EDUCATIONAL SERVICES IN A  
10 MANNER THAT COMPLIES WITH THIS ACT, THE STATE SCHOOL AID ACT, AND  
11 APPLICABLE RULES.

12 [(12)] IF THE STATE TREASURER MAKES A DETERMINATION UNDER  
13 SUBSECTION [(11)] THAT THE CONDITIONS UNDER THAT SUBSECTION APPLY TO  
14 A SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY, THE STATE TREASURER  
15 SHALL NOTIFY THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY.

16 [(13)] CEPI SHALL MAKE AVAILABLE TO THE PUBLIC ON ITS WEBSITE  
17 ALL OF THE BUDGETARY ASSUMPTIONS IT RECEIVES UNDER THIS SECTION AND  
18 ALL OF THE PERIODIC FINANCIAL STATUS REPORTS SUBMITTED TO THE STATE  
19 TREASURER UNDER THIS SECTION. THE STATE TREASURER SHALL TRANSMIT TO  
20 CEPI ANY DOCUMENTS NEEDED BY CEPI TO COMPLY WITH THIS SUBSECTION.

21 [(14)] AS USED IN THIS SECTION:

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

24 (B) "CEPI" MEANS THE CENTER FOR EDUCATIONAL PERFORMANCE AND  
25 INFORMATION CREATED IN SECTION 94A OF THE STATE SCHOOL AID ACT OF  
26 1979, MCL 388.1694A.

27 (C) "DEFICIT" MEANS A CONDITION PROHIBITED UNDER SECTION 15(2)

1 OF THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL  
2 141.435, OR UNDER SECTION 102(1) OF THE STATE SCHOOL AID ACT OF  
3 1979, MCL 388.1702. DEFICIT ALSO INCLUDES 1 OR BOTH OF THE  
4 FOLLOWING CIRCUMSTANCES FOR A SCHOOL DISTRICT, INTERMEDIATE SCHOOL  
5 DISTRICT, OR PUBLIC SCHOOL ACADEMY:

6 (i) THE TOTAL GENERAL FUND BALANCE OF THE SCHOOL DISTRICT,  
7 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY IS NEGATIVE  
8 OR IS PROJECTED TO BE NEGATIVE AT THE END OF THE CURRENT SCHOOL  
9 FISCAL YEAR.

10 (ii) ONE OR MORE OF THE FUNDS OF THE SCHOOL DISTRICT,  
11 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY OTHER THAN  
12 THE GENERAL FUND HAVE A NEGATIVE BALANCE OR PROJECTED NEGATIVE  
13 BALANCE THAT IS GREATER THAN THE TOTAL GENERAL FUND BALANCE.

14 (D) "FINANCIAL EMERGENCY" MEANS THAT 1 OR MORE OF THE  
15 CONDITIONS DESCRIBED IN SECTION 5(3)(A) TO (M) OF THE LOCAL  
16 FINANCIAL STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1545,  
17 EXIST OR ARE LIKELY TO OCCUR WITHIN A SCHOOL DISTRICT, INTERMEDIATE  
18 SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY IN THE CURRENT OR NEXT  
19 SCHOOL FISCAL YEAR AND THREATEN THE ABILITY OF THE SCHOOL DISTRICT,  
20 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY TO PROVIDE  
21 NECESSARY GOVERNMENTAL SERVICES ESSENTIAL TO PUBLIC HEALTH, SAFETY,  
22 AND WELFARE.

23 (E) "FISCAL STRESS" MEANS 1 OR BOTH OF THE FOLLOWING:

24 (i) THAT A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR  
25 PUBLIC SCHOOL ACADEMY IS UNABLE TO MEET ITS SHORT-TERM OR LONG-TERM  
26 FINANCIAL OBLIGATIONS AS THOSE OBLIGATIONS ARISE.

27 (ii) THAT 1 OR MORE OF THE CONDITIONS DESCRIBED IN SECTION

1 4(1) (A) TO (S) OF THE LOCAL FINANCIAL STABILITY AND CHOICE ACT,  
2 2012 PA 436, MCL 141.1544, EXIST OR ARE LIKELY TO OCCUR WITHIN A  
3 SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL  
4 ACADEMY.

5 (F) "FOUNDATION ALLOWANCE" MEANS, FOR A SCHOOL DISTRICT, THE  
6 FOUNDATION ALLOWANCE FOR THE SCHOOL DISTRICT AS CALCULATED UNDER  
7 SECTION 20 OF THE STATE SCHOOL AID ACT OF 1979, MCL 388.1620, AND,  
8 FOR A PUBLIC SCHOOL ACADEMY, THE PER-PUPIL ALLOCATION FOR THE  
9 PUBLIC SCHOOL ACADEMY AS CALCULATED UNDER SECTION 20(6) OF THE  
10 STATE SCHOOL AID ACT OF 1979, MCL 388.1620.

11 (G) "GOVERNING BODY" MEANS, FOR A SCHOOL DISTRICT, THE SCHOOL  
12 BOARD OF THE SCHOOL DISTRICT AND, FOR A PUBLIC SCHOOL ACADEMY, THE  
13 BOARD OF DIRECTORS OF THE PUBLIC SCHOOL ACADEMY.

14 (H) "MEMBERSHIP" MEANS THAT TERM AS DEFINED IN SECTION 6 OF  
15 THE STATE SCHOOL AID ACT OF 1979, MCL 388.1606.

16 (I) "PUPIL" MEANS THAT TERM AS DEFINED IN SECTION 6 OF THE  
17 STATE SCHOOL AID ACT OF 1979, MCL 388.1606.

18 Enacting section 1. This amendatory act takes effect 90 days  
19 after the date it is enacted into law.

20 Enacting section 2. This amendatory act does not take effect  
21 unless all of the following bills of the 98th Legislature are  
22 enacted into law:

23 (a) House Bill No. 4327.

24 (b) House Bill No. 4328.

25 (c) House Bill No. 4330.