

HOUSE BILL No. 4327

March 11, 2015, Introduced by Rep. Pscholka and referred to the Committee on Financial Liability Reform.

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
10 THE FOLLOWING APPLY:

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

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

25 (C) WITHIN 90 DAYS AFTER NOTIFYING THE DEPARTMENT, THE SCHOOL
26 DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY
27 SHALL SUBMIT TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION IN THE

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

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

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

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

24 (2) TO ASSURE GREATER COORDINATION AND EFFECTIVE PARTNERSHIPS
25 IN THE DEVELOPMENT AND IMPLEMENTATION OF A DEFICIT ELIMINATION PLAN
26 UNDER SUBSECTION (1), WHEN ADMINISTERING SUBSECTIONS (1), (4), AND
27 (5), THE DEPARTMENT SHALL CONSULT WITH ALL OF THE FOLLOWING:

1 (A) THE DEPARTMENT OF TREASURY.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (E) THE REQUIRED RETENTION BY THE SCHOOL DISTRICT,
23 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY OF A
24 CONSULTANT OR 1 OR MORE OTHER EXPERTS FOR THE PURPOSE OF ASSISTING
25 THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL
26 ACADEMY TO ACHIEVE THE GOALS AND OBJECTIVES OF THE FINANCIAL
27 RECOVERY AGREEMENT.

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

19 (8) TO ASSURE GREATER COORDINATION AND EFFECTIVE PARTNERSHIPS
20 IN THE DEVELOPMENT AND IMPLEMENTATION OF AN ENHANCED DEFICIT
21 ELIMINATION PLAN UNDER SUBSECTION (6), WHEN ADMINISTERING
22 SUBSECTIONS (6), (7), AND (10), THE DEPARTMENT OF TREASURY SHALL
23 CONSULT WITH ALL OF THE FOLLOWING:

24 (A) THE DEPARTMENT.

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

1 (C) FOR A SCHOOL DISTRICT REQUIRED TO SUBMIT AN ENHANCED
2 DEFICIT ELIMINATION PLAN UNDER SUBSECTION (6), THE INTERMEDIATE
3 SUPERINTENDENT OF THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE
4 SCHOOL DISTRICT IS LOCATED.

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

8 (9) AFTER THE STATE TREASURER APPROVES AN ENHANCED DEFICIT
9 ELIMINATION PLAN FOR A SCHOOL DISTRICT, INTERMEDIATE SCHOOL
10 DISTRICT, OR PUBLIC SCHOOL ACADEMY, THE SCHOOL DISTRICT,
11 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY SHALL POST
12 THE ENHANCED DEFICIT ELIMINATION PLAN ON THE SCHOOL DISTRICT'S,
13 INTERMEDIATE SCHOOL DISTRICT'S, OR PUBLIC SCHOOL ACADEMY'S WEBSITE.

14 (10) IF A SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR
15 PUBLIC SCHOOL ACADEMY IS REQUIRED TO SUBMIT AN ENHANCED DEFICIT
16 ELIMINATION PLAN UNDER SUBSECTION (6), THE SCHOOL DISTRICT,
17 INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL ACADEMY SHALL SUBMIT
18 TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE STATE TREASURER
19 AN ENHANCED MONTHLY MONITORING REPORT ON REVENUE, EXPENDITURES,
20 CASH FLOW, DEBT, OTHER LIABILITIES, ASSETS, BUDGET AMENDMENTS,
21 PUPIL MEMBERSHIP, AND OTHER DATA RELATING TO THE FINANCES OF THE
22 SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR PUBLIC SCHOOL
23 ACADEMY IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF
24 TREASURY AND SHALL POST THESE REPORTS ON ITS WEBSITE.

25 (11) AS USED IN THIS SECTION:

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

1 (B) "DEFICIT ELIMINATION PLAN" MEANS A PLAN REQUIRED UNDER
2 THIS SECTION FOR THE ELIMINATION OF A DEFICIT THAT SETS FORTH
3 ACTIONS TO BE TAKEN TO ELIMINATE THE DEFICIT WITHIN THE TIME PERIOD
4 PRESCRIBED BY THE DEPARTMENT.

5 (C) "DEFICIT FUND BALANCE" MEANS THAT TERM AS DEFINED IN THE
6 MICHIGAN PUBLIC SCHOOL ACCOUNTING MANUAL PUBLISHED BY THE
7 DEPARTMENT.

8 (D) "ENHANCED DEFICIT ELIMINATION PLAN" MEANS MEASURES
9 REQUIRED BY THE STATE TREASURER UNDER THIS SECTION TO ADDRESS THE
10 FINANCIAL CONDITIONS WITHIN A SCHOOL DISTRICT, INTERMEDIATE SCHOOL
11 DISTRICT, OR PUBLIC SCHOOL ACADEMY AND RESOLVE ANY DEFICIT WITHIN
12 THE TIME PERIOD PRESCRIBED BY THE STATE TREASURER.

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

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

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

26 (a) Senate Bill No. ____ or House Bill No. 4328 (request no.
27 00282'15).

1 (b) Senate Bill No. _____ or House Bill No. 4325 (request no.
2 00285'15).

3 (c) Senate Bill No. _____ or House Bill No. 4330 (request no.
4 00415'15).