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Senate Bill 204 (as introduced 4-15-25)
Sponsor: Senator Stephanie Chang
Committee: Education

Date Completed: 6-9-25

CONTENT

The bill would amend the Revised School Code to require the board of a school district or intermediate school district (ISD) or board of directors of a public school academy (PSA) to adopt and implement a policy that would prescribe procedures that the school district, ISD, or PSA would have to follow before closing a school building, by July 31, 2026.

General Requirements

By July 31, 2026, the bill would require the board of a school district or ISD or board of directors of a PSA to adopt and implement a policy that prescribed school closure procedures and met the following requirements. Generally, a school's policy would have to comply with the Department of Education (MDE) data reporting requirements. It also would have to address the transition of students and the students' records, including academic and medical records, to new schools.

Notification Processes

Specifically, a school's policy would have to provide timely notification of closure to the parents and legal guardians of students enrolled in and employees working at the closing school. These notification procedures would have to include at least one month's notice before closure and at least one public meeting. For a PSA that received notification from its authorizing body of an intent to revoke or not renew the PSA's contract, these notification procedures would have to include notice within one month after that notification.

Additionally, a school's notification to parents and legal guardians would have to include information regarding the reassignment of students to other schools. A school district and ISD would have to provide information concerning other schools operated by the school district or ISD. A PSA's notification would have to include information about options for placement in other public schools along with contact information and important timelines for enrollment in other public schools.

A school's policy would have to provide that, if a decision to close a school building were based on financial projections made during the normal budget development process for the school fiscal year beginning on the next July 1, the closure decision would have to be made and the required notification started not later than that next July 1. If a decision to close a school building were made for a reason other than finances, the closure decision would have to be made and notification started not later than the end of the school fiscal year. A closure during the next school year for a reason other than finances would be prohibited unless these deadlines were met.

A school's policy also would have to include a provision that the closure of a school building *during* the school year would be allowed only if there were an extenuating circumstance that would endanger the health or safety of the students in attendance at the school building. Notification under such circumstances would have to be started as soon as possible after the discovery of the extenuating circumstance.

These notifications would have to be made by first-class mail. If that method of notice was not financially feasible, an alternative method could be used, such as electronic notice, sending notifications home with students, or contracting with a third party to provide notifications.

Asset Distribution

A school's policy would have to address the distribution of assets and proper securement of the closed school building within 60 days after it was closed, if it were not anticipated to be leased or sold in a timely manner. The procedure for distribution of assets would have to include at least an accounting of the assets of the school building and a report to the board of the school district or ISD or to the authorizing body of the PSA, and to the department that inventoried those assets including any obligated fund amounts.

For a public school that had been incorporated under the Nonprofit Corporation Act, the procedure for distribution of assets would have to comply with that Act.

Records Repository Selection

A school's policy would have to include the selection of a records repository to provide long-term storage and maintenance of student records that were not delivered to new schools. The board of the school district or ISD or board of directors of the PSA could select any of the following as its records repository:

- The ISD in which the closed school building was located, if the ISD agreed to act as the records repository for those records.
- If the closed school building were a PSA, the school district or ISD in which the closed school building was located, if the school district or ISD agreed to act as the records repository for those records.
- Another person that agreed to act as the records repository for those records, if the person demonstrated to the satisfaction of the board or board of directors that it had the expertise to provide long-term storage and maintenance of those records.

Additional Provisions

The bill would require a school's policy to include language regarding the allocation of funds to employ an individual to facilitate the transition and ensure that all applicable requirements of the law were met.

Lastly, the bill would require the MDE to develop and make available a model policy that complied with the bill's requirements by March 31, 2026.

Proposed MCL 380.1258

PREVIOUS LEGISLATION

(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)

The bill is similar to House Bill 5125 of the 2015-2016 Legislative Session and House Bill 4090

of the 2017-2018 Legislative Session. It is also similar to Senate Bill 776 of the 2021-2022 Legislative Session and Senate Bill 126 of the 2019-2020 Legislative Session.

Legislative Analyst: Abby Schneider

FISCAL IMPACT

The bill would have no fiscal impact on the MDE.

The bill would have no fiscal impact on the State, and it would have a negative fiscal impact on districts, ISDs, and PSAs, although the amount of the cost is unknown. Many of the bill's requirements would codify and standardize existing practices. To the extent that a district, ISD, or PSA would not otherwise have done certain reporting or notifications, compliance would require additional administrative costs.

The bill also would set limits on when a building could be closed. If the requirements of the bill forced a district, ISD, or PSA to keep a building open longer than it would have otherwise, there could be additional costs, although the amount of any additional cost would depend on the characteristics of the building, student body, and district.

Fiscal Analyst: Ryan Bergan
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.