

**THE REVISED SCHOOL CODE (EXCERPT)**  
**Act 451 of 1976**

**380.948 Assets and liabilities; employment contracts and agreements; applicability of subsection (2); rights and benefits.**

Sec. 948. (1) Upon the effective date of the division of the school district, all assets and liabilities of the divided school district, with the exception of its bonded indebtedness, shall become the assets and liabilities of the annexing school district except as provided in subsection (2).

(2) Except as provided in subsection (3), all employment contracts and agreements with authorized bargaining agents in effect at the time of the annexation-transfer election with the annexing school district, the annexed school district, and the school district or districts to which portions of the territory of the dividing school district are to be transferred shall remain in full force and effect for the duration of those contracts for the employees covered by them even after division of the district until representatives of employees, for the purposes of collective bargaining, have been certified by the Michigan employment relations commission and a successor agreement has been ratified by the bargaining agent of each bargaining unit and the boards of education of the annexing school district or the district or districts to which portions of the territory of the dividing school district have been transferred, as the case may be.

(3) In the event of an agreement of the authorized bargaining agents and the board of a district in which employees are to be employed, not less than 60 days prior to the annexation-transfer election, the provisions of subsection (2) shall not apply. All personnel employed under the provisions of this act shall be entitled to all the rights and benefits to which they otherwise would be entitled had they been employed by the newly formed school district originally.

(4) Employees of the dividing school district employed by the annexing school district or any district to which a portion of the territory of the dividing school district has been transferred shall be entitled to all rights provided by Act No. 4 of the Public Acts of the Extra Session of 1937, being sections 38.71 to 38.191 of the Michigan Compiled Laws, to which they would have been entitled if they had been employed originally by the annexing school district or any school district to which a portion of the territory of the dividing school has been transferred, as the case may be, including tenure status.

**History:** Add. 1984, Act 154, Imd. Eff. June 25, 1984.

**Popular name:** Act 451