



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

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SUPERINTENDENT OF
PUBLIC INSTRUCTION

**State Board of Education
Resolution on Emergency Financial Manager Legislation**

To the extent that the Emergency Financial Manager legislation applies to public school districts and in the interest of transparency, accountability, and putting children first, the State Board of Education recommends the following:

The Michigan Constitution invests the State Board of Education (SBE) with "leadership and general supervision over all public education."

Public schools in the State of Michigan are facing serious financial cuts at the State level. As a result, many schools and districts may face financial distress and some may end up under the direction of an Emergency Financial Manager (EFM).

Currently, the Detroit Public Schools have been under the direction of an EFM for the past two years. This has led to the identification of limitations on the current law, Public Act 72. Therefore, the State Board of Education supports updating Public Act 72 to demonstrate clear qualifications, roles and responsibilities of an EFM, and allow public oversight of an EFM by establishing an oversight board that will provide leadership on behalf of the state. In addition, EFM legislation should require frequent, public disclosure of financial decisions, such as contracts.

However, the SBE is concerned that the current legislation removes public oversight. Emergency Financial Manager legislation should not be used as a first priority to undermine collective bargaining rights or the democratic process. Furthermore, EFM legislation should respect the role of publicly elected officials and their position.

The State Board of Education urges the State Legislature to pass EFM legislation that clearly defines the qualifications and role of an EFM, while confirming the rights of individuals to engage in their government.

Approved on March 8, 2011

STATE BOARD OF EDUCATION

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