



Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383  
Fax: (517) 373-1986

Senate Bill 204 (Substitute S-5 as passed by the Senate)  
Sponsor: Senator Stephanie Chang  
Committee: Education

Date Completed: 9-16-25

## **RATIONALE**

The board of a school district or intermediate school district (ISD) or the board of directors of a public school academy (PSA) may decide to close a school for a variety of reasons, such as low enrollment or financial issues; however, testimony before the Senate Committee on Education indicates that schools' closures disrupt their communities, especially if a school is closed during the school year. School employees must suddenly search for new jobs, while parents must find new schools for their children to attend. Some believe that parents and school employees should receive advance notice of a school closure to prepare. Accordingly, it has been suggested that the State enact standards for school closure policies.

## **CONTENT**

**The bill would amend the Revised School Code to require the board of a school district or ISD or board of directors of a 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 from its authorizing body notice of revocation or nonrenewal of 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 them. Furthermore, notification would have to include information on where student records were being stored and how parents and legal guardians could access them.

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 were not financially feasible, an alternative method could be used, such as electronic notice, sending notifications home with students, or contracting 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 ISD in which the closed school building was located would serve as the default records repository; however, if the closed school building were a PSA, the school district in which the PSA was located or the PSA's authorizing body could act as a records repository instead.

#### 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 Senate Bill 776 of the 2021-2022 Legislative Session and Senate Bill 126 of the 2019-2020 Legislative Session.

## **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

### **Supporting Argument**

The bill would require schools to close in a responsible manner. Schools are often the center of communities. They provide children with an education, which contributes to economic mobility. For working parents, they provide children with a safe place and supervision. They also provide members of the community with a place to forge connections with each other. A school closure disrupts a school's community, especially if that closure is sudden. Testimony before the Senate Committee on Education indicates that, as parents scramble to enroll their children elsewhere, students suffer the emotional trauma of instability, as well as learning loss. Parents may face disruptions in their work lives, suddenly faced with new needs for childcare and transportation. Teachers and school administrators face emotional and financial stress resulting from job loss. In addition to the human cost of closure, abandoned school buildings contribute to property blight. They may sit vacant for years, becoming targets for vandalism and trespassers.<sup>1</sup> These decaying buildings affect nearby property values. They also may risk health and safety if improperly closed. The bill would ensure schools served their communities, even in closure. Requiring schools to provide a meeting for the public to discuss closure would include community members in the discussion. If a closure proceeded, schools would have to give parents, teachers, and students timely notice, as well as information on enrolling in other schools. This would give community members the time and direction to make decisions. Overall, the bill would continue to allow schools to close for a variety of reasons but not at the expense of the communities they served.

### **Opposing Argument**

The bill's requirements could prove burdensome for schools. Testimony before the Senate indicates that school administrators must comply with many requirements, some of which may be unnecessary or out-of-touch with their schools' circumstances. For example, the bill would require a school's decision to close, if based on financial projections for its next fiscal year beginning July 1, to comply with the bill's requirements to initiate a closure no later than that July 1; however, schools receive funding from the Legislature, which has a statutory budget deadline of July 1 but does not always comply with this deadline. When the Legislature does not meet this deadline, schools may not be certain about their funding for the next school year. In these instances, requiring a school district to initiate a school building's closure without a full understanding of its finances in that upcoming fiscal year could be burdensome and create compliance issues. The bill should afford school districts greater flexibility to make these decisions.

## **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,

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<sup>1</sup> Smith, Jay Scott, "From playgrounds to prostitution: Blighted Detroit school sparks outrage, safety fears", *Click on Detroit 4*, August 11, 2025.

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  
Cory Savino, PhD

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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.