

SENATE BILL No. 569

June 6, 2007, Introduced by Senators CASSIS, GARCIA, SANBORN and CROPSEY and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 620 (MCL 380.620), as added by 2004 PA 413, and
by adding section 1250a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 620. (1) Not later than December 31 of each year, each
2 intermediate school district shall post on its website a report
3 containing all of the following information for the immediately
4 preceding school fiscal year in the form and manner prescribed by
5 the department:

6 (a) All of the following general information:

7 (i) The amount of the intermediate school district's total
8 budget.

1 (ii) The number of full-time equated pupils served by the
2 intermediate school district.

3 (iii) The number of employees employed by the intermediate
4 school district.

5 (iv) The number of constituent districts, public school
6 academies, and nonpublic schools served by the intermediate school
7 district.

8 (b) Except as otherwise provided in subsection (2) and subject
9 to subsection (9), for each intermediate school board member or
10 school administrator of the intermediate school district who had
11 travel expenses during the school fiscal year that totaled more
12 than \$3,000.00 and that were paid for with intermediate school
13 district funds, all of the following information concerning that
14 travel:

15 (i) The total cost of air travel.

16 (ii) The total cost of overnight lodging.

17 (iii) The total cost of car rental.

18 (iv) The total cost of meals.

19 (v) The dates, purpose, and locations of travel.

20 (vi) The name and position of the board member or
21 administrator.

22 (c) Except as otherwise provided in subsection (3) and subject
23 to subsection (5), for each contract, other than an employment
24 contract or a contract that is reported under subdivision (f), that
25 was entered into by the intermediate school district during the
26 school fiscal year and that either obligated the intermediate
27 school district for an amount in excess of \$100,000.00; was not

1 competitively bid and obligated the intermediate school district
2 for an amount in excess of \$25,000.00; or was entered into with an
3 entity in which an intermediate school board member or school
4 administrator of the intermediate school district, or a family
5 member of an intermediate school board member or school
6 administrator of the intermediate school district, was known by the
7 intermediate school board to have a monetary interest, a
8 description of the contract that includes at least all of the
9 following:

10 (i) The subject matter and cost of the contract.

11 (ii) Whether the contract was competitively bid or was a single
12 source contract.

13 (iii) The name and position of each individual who signed the
14 contract on behalf of the intermediate school district.

15 (d) Except as otherwise provided in subsection (3), if there
16 was a modification made during the school fiscal year to an
17 existing contract that resulted in an additional financial
18 obligation owed by the intermediate school district in excess of
19 \$100,000.00 or that resulted in the total financial obligation owed
20 by the intermediate school district from the existing contract
21 exceeding \$100,000.00, or was a modification to an existing
22 contract that was not competitively bid and the modification
23 resulted in an additional financial obligation owed by the
24 intermediate school district in excess of \$25,000.00 or resulted in
25 the total financial obligation owed by the intermediate school
26 district from the existing contract exceeding \$25,000.00, a
27 description of the modification and the total amount of the

1 additional and total financial obligation.

2 (e) Subject to subsection (4), for each intermediate school
3 district employee with a compensation package with a total annual
4 monetary value in the top 3% among the intermediate school
5 district's employees, all of the following **LISTED SEPARATELY FOR**
6 **EACH OF THE EMPLOYEES:**

7 (i) **THE POSITION IN WHICH THE PERSON IS EMPLOYED.**

8 (ii) ~~(i)~~—The dollar value of his or her salary.

9 (iii) ~~(ii)~~—The dollar value of all expense accounts provided for
10 the employee and the dollar value of all reimbursed expenses.

11 (iv) ~~(iii)~~—The dollar value of any bonus, stipend, or any other
12 form of supplemental compensation. As used in this subparagraph,
13 "supplemental compensation" means any payment or benefit made
14 available to that employee that is not generally made available to
15 all teaching, administrative, and executive-level employees of the
16 intermediate school district.

17 (v) **THE DOLLAR VALUE OF THE EMPLOYER SHARE OF THE COST OF**
18 **MEDICAL, OPTICAL, AND DENTAL BENEFITS AND OTHER INSURANCE COVERAGE**
19 **PROVIDED FOR THE EMPLOYEE.**

20 (f) Total costs incurred during the school fiscal year, and
21 the source or sources of the money expended during the school
22 fiscal year, for fiber optic or cable equipment and operating
23 system software for fiber optic or cable equipment networks. The
24 description of the source or sources of the money expended for
25 purposes described in this subdivision shall specify the amount
26 used from each of the separate funds maintained by the intermediate
27 school district and used from each other source.

1 (g) Payments made during the school fiscal year to persons who
2 were not employees of the intermediate school district for public
3 relations, polling, lobbying, or legal services and a description
4 of the services received by the intermediate school district in
5 return.

6 (h) For each person not included under subdivision (e) or (g)
7 to whom the intermediate school district was required to issue a
8 federal income tax form 1099 that showed payments in excess of
9 \$25,000.00 during the school fiscal year, the total amount paid to
10 the individual, a description of the project or projects for which
11 the person was contracted, and the services provided by the person.

12 (i) The amount and percentage of the intermediate school
13 district's total budget that was spent on each of the following:

14 (i) Administrative costs, as defined under the Michigan public
15 school accounting manual.

16 (ii) Public relations, surveys, polling, lobbying, and legal
17 services.

18 (j) A list of all motor vehicles weighing 7,500 pounds or less
19 that were owned or leased by the intermediate school district
20 during the school fiscal year and are not reported under
21 subdivision (c) and a description of the purposes for which each of
22 these motor vehicles was used.

23 (2) Subsection (1)(b) does not apply to any of the following:

24 (a) Round-trip air travel on a scheduled airline from a
25 location in the Upper Peninsula to a location in the Lower
26 Peninsula or chartered round-trip air travel from a location in the
27 Upper Peninsula to a location in the Lower Peninsula if the cost of

1 the chartered air travel is less than the published cost of the
2 same air travel on a scheduled airline.

3 (b) Travel expenses for air or boat travel for work-related
4 purposes within this state between an island and the mainland.

5 (c) Travel expenses for travel within the boundaries of the
6 intermediate school district for work-related purposes.

7 (d) Mileage reimbursement.

8 (3) Subsection (1)(c) and (d) does not apply to a contract for
9 utilities or to a contract for an annuity or retirement benefit in
10 which all employees are eligible to participate unless the contract
11 is for payment of a commission to a third-party broker for securing
12 1 of those contracts.

13 (4) If an intermediate school district has fewer than ~~3-10~~
14 employees in the top 3% of employees as described in subsection
15 (1)(e), the intermediate school district shall include the
16 information required under subsection (1)(e) for each intermediate
17 school district employee with a compensation package with a total
18 monetary value in the top ~~3-10~~ among the intermediate school
19 district's employees. ~~If an intermediate school district has more~~
20 ~~than 20 employees in the top 3% of employees as described in~~
21 ~~subsection (1)(e), the intermediate school district shall include~~
22 ~~the information under subsection (1)(e) for each intermediate~~
23 ~~school district employee with a compensation package with a total~~
24 ~~monetary value in the top 20 among the intermediate school~~
25 ~~district's employees.~~

26 (5) For the purposes of subsection (1)(c), an intermediate
27 school board member or school administrator of an intermediate

1 school district, or a family member of an intermediate school board
2 member or school administrator of an intermediate school district,
3 is not considered to have a monetary interest in any of the
4 following contracts:

5 (a) A contract between the intermediate school district and
6 any of the following:

7 (i) A corporation in which an intermediate school board member,
8 intermediate school district administrator, or family member is a
9 stockholder owning 1% or less of the total stock outstanding in any
10 class if the stock is not listed on a stock exchange or owning
11 stock that has a present market value of \$25,000.00 or less if the
12 stock is listed on a stock exchange.

13 (ii) A corporation in which a trust, if an intermediate school
14 board member, intermediate school district administrator, or family
15 member is a beneficiary under the trust, owns 1% or less of the
16 total stock outstanding in any class if the stock is not listed on
17 a stock exchange or owning stock that has a present market value of
18 \$25,000.00 or less if the stock is listed on a stock exchange.

19 (iii) A professional limited liability company organized
20 pursuant to the Michigan limited liability company act, 1993 PA 23,
21 MCL 450.5101 to 450.6200, if an intermediate school board member,
22 intermediate school district administrator, or family member is an
23 employee but not a member of the company.

24 (b) A contract between the intermediate school district and
25 any of the following:

26 (i) A corporation in which an intermediate school board member,
27 intermediate school district administrator, or family member is not

1 a director, officer, or employee.

2 (ii) A firm, partnership, or other unincorporated association,
3 in which an intermediate school board member, intermediate school
4 district administrator, or family member is not a partner, member,
5 or employee.

6 (iii) A corporation or firm that has an indebtedness owed to an
7 intermediate school board member, intermediate school district
8 administrator, or family member.

9 (c) A contract between the intermediate school district and a
10 constituent district.

11 (6) The department shall include on its website a link to the
12 page on each intermediate school district's website that includes
13 the intermediate school district's report under subsection (1).

14 (7) The department shall work with intermediate school
15 districts to determine the form and manner for the posting of the
16 report under subsection (1).

17 (8) An intermediate school district shall maintain the report
18 under subsection (1) on its website ~~only~~ for the most recent
19 reporting period **UNTIL THE INTERMEDIATE SCHOOL DISTRICT HAS POSTED**
20 **THE REPORT FOR THE NEXT REPORTING PERIOD** ~~, but~~ **AND** shall maintain
21 paper copies of previous reports for at least 10 years.

22 (9) Beginning January 1, 2006, the monetary amount specified
23 in subsection (1)(b) shall be adjusted each January 1 by
24 multiplying the amount for the immediately preceding year by the
25 percentage by which the average consumer price index for all items
26 for the 12 months ending August 31 of the year in which the
27 adjustment is made differs from that index's average for the 12

1 months ending on August 31 of the immediately preceding year and
2 adding that product to the maximum amount that applied in the
3 immediately preceding year, rounding to the nearest whole dollar.
4 The adjustment shall apply only to expenditures or violations
5 occurring after the date of the adjusting of the amount. The
6 adjusted amount shall be determined and announced by the department
7 on or before December 15 of each year and shall be provided to all
8 persons requesting the adjusted amount. If the index is
9 unavailable, the department shall make a reasonable approximation.

10 (10) As used in this section:

11 (a) "Competitively bid" means that a contract was entered into
12 through a request for information, a request for proposal, or a
13 formal competitive bid process that was advertised and open to the
14 public, and includes a contract entered into on behalf of the
15 intermediate school district by a federal, state, or local
16 governmental entity that performed a request for information,
17 request for proposal, or formal competitive bid process or by a
18 nonprofit corporation or nonprofit association that performed a
19 request for information, request for proposal, or formal
20 competitive bid process.

21 (b) "Family member" means a person's spouse or spouse's
22 sibling or child; a person's sibling or sibling's spouse or child;
23 a person's child or child's spouse; or a person's parent or
24 parent's spouse, and includes these relationships as created by
25 adoption or marriage.

26 (c) "Total budget" means budget for all funds held by the
27 intermediate school district.

1 SEC. 1250A. (1) NOT LATER THAN DECEMBER 31 OF EACH YEAR, EACH
2 SCHOOL DISTRICT SHALL POST ON ITS WEBSITE A SALARY REPORT FOR THE
3 IMMEDIATELY PRECEDING SCHOOL FISCAL YEAR IN THE FORM AND MANNER
4 PRESCRIBED BY THE DEPARTMENT. IF THE SCHOOL DISTRICT PUBLISHES A
5 DISTRICT NEWSLETTER, THE SCHOOL DISTRICT SHALL ALSO PUBLISH THIS
6 SALARY REPORT IN THE NEWSLETTER AT LEAST ONCE EACH YEAR. SUBJECT TO
7 SUBSECTION (2), THE REPORT SHALL CONTAIN ALL OF THE FOLLOWING
8 LISTED SEPARATELY FOR EACH EMPLOYEE WITH A COMPENSATION PACKAGE
9 WITH A TOTAL ANNUAL MONETARY VALUE IN THE TOP 3% AMONG THE SCHOOL
10 DISTRICT'S EMPLOYEES:

11 (A) THE POSITION IN WHICH THE PERSON IS EMPLOYED.

12 (B) THE DOLLAR VALUE OF HIS OR HER SALARY.

13 (C) THE DOLLAR VALUE OF ALL EXPENSE ACCOUNTS PROVIDED FOR THE
14 EMPLOYEE AND THE DOLLAR VALUE OF ALL REIMBURSED EXPENSES.

15 (D) THE DOLLAR VALUE OF ANY BONUS, STIPEND, OR ANY OTHER FORM
16 OF SUPPLEMENTAL COMPENSATION. AS USED IN THIS SUBDIVISION,
17 "SUPPLEMENTAL COMPENSATION" MEANS ANY PAYMENT OR BENEFIT MADE
18 AVAILABLE TO THAT EMPLOYEE THAT IS NOT GENERALLY MADE AVAILABLE TO
19 ALL TEACHING, ADMINISTRATIVE, AND EXECUTIVE-LEVEL EMPLOYEES OF THE
20 SCHOOL DISTRICT.

21 (E) THE DOLLAR VALUE OF THE EMPLOYER SHARE OF THE COST OF
22 MEDICAL, OPTICAL, AND DENTAL BENEFITS AND OTHER INSURANCE COVERAGE
23 PROVIDED FOR THE EMPLOYEE.

24 (2) IF A SCHOOL DISTRICT HAS FEWER THAN 10 EMPLOYEES IN THE
25 TOP 3% OF EMPLOYEES AS DESCRIBED IN SUBSECTION (1), THE SCHOOL
26 DISTRICT SHALL INCLUDE THE INFORMATION REQUIRED UNDER SUBSECTION
27 (1) FOR EACH EMPLOYEE WITH A COMPENSATION PACKAGE WITH A TOTAL

1 MONETARY VALUE IN THE TOP 10 AMONG THE SCHOOL DISTRICT'S EMPLOYEES.

2 (3) THE DEPARTMENT SHALL INCLUDE ON ITS WEBSITE A LINK TO THE
3 PAGE ON EACH SCHOOL DISTRICT'S WEBSITE THAT INCLUDES THE SCHOOL
4 DISTRICT'S REPORT UNDER SUBSECTION (1).

5 (4) THE DEPARTMENT SHALL WORK WITH SCHOOL DISTRICTS TO
6 DETERMINE THE FORM AND MANNER FOR THE POSTING OF THE REPORT UNDER
7 SUBSECTION (1).

8 (5) A SCHOOL DISTRICT SHALL MAINTAIN THE REPORT UNDER
9 SUBSECTION (1) ON ITS WEBSITE FOR THE MOST RECENT REPORTING PERIOD
10 UNTIL THE SCHOOL DISTRICT HAS POSTED THE REPORT FOR THE NEXT
11 REPORTING PERIOD AND SHALL MAINTAIN PAPER COPIES OF PREVIOUS
12 REPORTS FOR AT LEAST 10 YEARS.