

## SCHOOL ACCOUNTABILITY; AT-RISK FUNDING

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**Senate Bills 80 and 81 as enrolled**  
**Sponsor: Sen. Goeff Hansen**  
**House Committee: Education**  
**Senate Committee: Education**

**Complete to 1-9-15**

### A SUMMARY OF SENATE BILLS 80 AND 81 AS ENROLLED

Senate Bill 80 would amend the State School Aid Act (MCL 388.1618) to require districts to make information regarding reimbursement of expenses available to the public on their websites. It would also appropriate an additional \$40.0 million in School Aid Fund (SAF) revenues to the At-Risk program in the School Aid Budget if voters approve House Joint Resolution (HJR) UU, a constitutional amendment to increase the sales and use tax from 6% to 7% and to exempt gasoline and diesel motor fuel from the sales tax.

Senate Bill 81 would amend the Revised School Code (MCL 380.1814) to include public school academies (charter schools) and an educational achievement authority (EAA) in provisions that govern the payment of board members' expenses, and to include school districts, public school academies, and an EAA in provisions that prohibit the use of district funds for certain purposes.

A more detailed description of each bill follows.

#### *Senate Bill 80 as enrolled*

The State School Aid Act requires school districts to provide certain information concerning operations via the district's website in a format prescribed by the Michigan Department of Education. The required information includes a district's annual operating budget, personnel expenditures, and other expenditures. Senate Bill 80 would retain all of these provisions. In addition, the bill also would require a district to provide, through its website, its written policies concerning the following:

- Procuring supplies, materials, and equipment.
- Establishing specific categories of reimbursable expenses, as described in Section 1254 of the Revised School Code (a section that Senate Bill 81 would amend).
- Either the district's accounts payable check register or a statement of the total amount of reimbursed expenses, for the most recent school fiscal year.

Senate Bill 80 also would appropriate an additional \$40.0 million in the School Aid Budget for the At-Risk program in Section 31a; however the amendment to Section 31a is contingent on voter approval of HJR UU.

**Senate Bill 81 as enrolled**

Now under the law, Section 1254 of the Revised School Code allows the board of a school district or intermediate school district (ISD) to pay an expense incurred by a board member. Senate Bill 81 would retain this provision and extend it to the boards of directors for public school academies (charter schools), and also for the board of an education achievement authority. Currently expenses must be approved in advance by a board and be consistent with the board's adopted policy on categories of reimbursable expenses. Under the bill, this policy would be a public record, and the board would have to make the policy available to people who requested it.

Senate Bill 81 also would include ISDs, public school academies, and the EAA within existing provisions that prohibit a school board from issuing to board members credit cards or debit cards that pledge payment of funds from a district account (except in compliance with law).

Currently, the Revised School Code makes it a misdemeanor to use ISD funds or other public funds under control of the district to purchase alcoholic beverages, jewelry, gifts, fees for golf, or any items that cannot be legally purchased or possessed, with exceptions. A person who violates this prohibition is guilty of a misdemeanor punishable by imprisonment for up to 93 days and/or a fine based on the amount of funds used illegally. The person also must provide restitution to that district. Senate Bill 81 would include within these provisions the funds of school districts, public school academies, and the EAA.

Finally, the Revised School Code currently defines "public funds" as taxes, state appropriations, federal funds, or payments for services to an ISD. Under the bill, "public funds" would be defined to mean funds generated from taxes levied under this act, state appropriations of state or federal funds, or payments to a school district, intermediate school district, public school academy, or EAA for services, but does not include voluntary contributions made for a specific purpose by a board member or employee of a school district, intermediate school district, public school academy, or education achievement authority; another individual; or a private entity.

**FISCAL IMPACT:**

Senate Bill 80 would increase the appropriation in the School Aid Budget for the At-Risk Program, from \$317.7 million to \$357.7 million SAF, if the voters approve HJR UU, thereby costing the state \$40.0 million which would be sent to school districts for At-Risk programs. The bill also could increase costs to school districts, which could incur an indeterminate, yet marginal, cost in having to report additional district expenses online.

Senate Bill 81 would have no fiscal impact on either state or local units of government.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.