

HOUSE BILL No. 4628

March 18, 2009, Introduced by Reps. DeShazor, Lori, Lund, Haines, Moss, Opsommer, McMillin and Hildenbrand 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.

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.

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

1 (iii) The number of employees employed by the intermediate
2 school district.

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

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

13 (i) The total cost of air travel.

14 (ii) The total cost of overnight lodging.

15 (iii) The total cost of car rental.

16 (iv) The total cost of meals.

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

18 (vi) The name and position of the board member or
19 administrator.

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

1 entity in which an intermediate school board member or school
2 administrator of the intermediate school district, or a family
3 member of an intermediate school board member or school
4 administrator of the intermediate school district, was known by the
5 intermediate school board to have a monetary interest, a
6 description of the contract that includes at least all of the
7 following:

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

9 (ii) Whether the contract was competitively bid or was a single
10 source contract.

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

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

27 (e) Subject to subsection (4), for each intermediate school

1 district employee with a compensation package with a total annual
2 monetary value in the top 3% among the intermediate school
3 district's employees, all of the following:

4 (i) The dollar value of his or her salary.

5 (ii) The dollar value of all expense accounts provided for the
6 employee and the dollar value of all reimbursed expenses.

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

13 (f) Total costs incurred during the school fiscal year, and
14 the source or sources of the money expended during the school
15 fiscal year, for fiber optic or cable equipment and operating
16 system software for fiber optic or cable equipment networks. The
17 description of the source or sources of the money expended for
18 purposes described in this subdivision shall specify the amount
19 used from each of the separate funds maintained by the intermediate
20 school district and used from each other source.

21 (g) ~~Payments made~~ **EXPENDITURES** during the school fiscal year
22 ~~to persons who were not employees of the intermediate school~~
23 ~~district~~ for public relations, polling, lobbying, or legal services
24 and a description of the services received by the intermediate
25 school district in return.

26 (h) For each person not included under subdivision (e) or (g)
27 to whom the intermediate school district was required to issue a

1 federal income tax form 1099 that showed payments in excess of
2 \$25,000.00 during the school fiscal year, the total amount paid to
3 the individual, a description of the project or projects for which
4 the person was contracted, and the services provided by the person.

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

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

9 (ii) Public relations, surveys, polling, lobbying, and legal
10 services.

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

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

17 (a) Round-trip air travel on a scheduled airline from a
18 location in the Upper Peninsula to a location in the Lower
19 Peninsula or chartered round-trip air travel from a location in the
20 Upper Peninsula to a location in the Lower Peninsula if the cost of
21 the chartered air travel is less than the published cost of the
22 same air travel on a scheduled airline.

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

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

27 (d) Mileage reimbursement.

1 (3) Subsection (1)(c) and (d) does not apply to a contract for
2 utilities or to a contract for an annuity or retirement benefit in
3 which all employees are eligible to participate unless the contract
4 is for payment of a commission to a third-party broker for securing
5 1 of those contracts.

6 (4) If an intermediate school district has fewer than 3
7 employees in the top 3% of employees as described in subsection
8 (1)(e), the intermediate school district shall include the
9 information required under subsection (1)(e) for each intermediate
10 school district employee with a compensation package with a total
11 monetary value in the top 3 among the intermediate school
12 district's employees. If an intermediate school district has more
13 than 20 employees in the top 3% of employees as described in
14 subsection (1)(e), the intermediate school district shall include
15 the information under subsection (1)(e) for each intermediate
16 school district employee with a compensation package with a total
17 monetary value in the top 20 among the intermediate school
18 district's employees.

19 (5) For the purposes of subsection (1)(c), an intermediate
20 school board member or school administrator of an intermediate
21 school district, or a family member of an intermediate school board
22 member or school administrator of an intermediate school district,
23 is not considered to have a monetary interest in any of the
24 following contracts:

25 (a) A contract between the intermediate school district and
26 any of the following:

27 (i) A corporation in which an intermediate school board member,

1 intermediate school district administrator, or family member is a
2 stockholder owning 1% or less of the total stock outstanding in any
3 class if the stock is not listed on a stock exchange or owning
4 stock that has a present market value of \$25,000.00 or less if the
5 stock is listed on a stock exchange.

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

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

17 (b) A contract between the intermediate school district and
18 any of the following:

19 (i) A corporation in which an intermediate school board member,
20 intermediate school district administrator, or family member is not
21 a director, officer, or employee.

22 (ii) A firm, partnership, or other unincorporated association,
23 in which an intermediate school board member, intermediate school
24 district administrator, or family member is not a partner, member,
25 or employee.

26 (iii) A corporation or firm that has an indebtedness owed to an
27 intermediate school board member, intermediate school district

1 administrator, or family member.

2 (c) A contract between the intermediate school district and a
3 constituent district.

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

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

10 (8) An intermediate school district shall maintain the report
11 under subsection (1) on its website only for the most recent
12 reporting period, but shall maintain paper copies of previous
13 reports for at least 10 years.

14 (9) Beginning January 1, 2006, the monetary amount specified
15 in subsection (1)(b) shall be adjusted each January 1 by
16 multiplying the amount for the immediately preceding year by the
17 percentage by which the average consumer price index for all items
18 for the 12 months ending August 31 of the year in which the
19 adjustment is made differs from that index's average for the 12
20 months ending on August 31 of the immediately preceding year and
21 adding that product to the maximum amount that applied in the
22 immediately preceding year, rounding to the nearest whole dollar.
23 The adjustment shall apply only to expenditures or violations
24 occurring after the date of the adjusting of the amount. The
25 adjusted amount shall be determined and announced by the department
26 on or before December 15 of each year and shall be provided to all
27 persons requesting the adjusted amount. If the index is

1 unavailable, the department shall make a reasonable approximation.

2 (10) As used in this section:

3 (a) "Competitively bid" means that a contract was entered into
4 through a request for information, a request for proposal, or a
5 formal competitive bid process that was advertised and open to the
6 public, and includes a contract entered into on behalf of the
7 intermediate school district by a federal, state, or local
8 governmental entity that performed a request for information,
9 request for proposal, or formal competitive bid process or by a
10 nonprofit corporation or nonprofit association that performed a
11 request for information, request for proposal, or formal
12 competitive bid process.

13 (b) "Family member" means a person's spouse or spouse's
14 sibling or child; a person's sibling or sibling's spouse or child;
15 a person's child or child's spouse; or a person's parent or
16 parent's spouse, and includes these relationships as created by
17 adoption or marriage.

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