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BILL ANALYSIS

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House Bill 5921 (Substitute S-2 as reported by the Committee of the Whole)  
Sponsor: Representative Ruth Johnson  
House Committee: Education  
Senate Committee: Education

### **CONTENT**

The bill would amend the Revised School Code to do the following:

- Require intermediate school boards to adopt and implement a conflict of interest policy and a policy to prohibit the use of intermediate school district (ISD) funds for certain purchases.
- Require the Department of Education to prepare and distribute model policies.
- Prohibit intermediate school board members or ISD administrators from accepting anything worth more than \$44 a month from a person doing business with the ISD, without providing equivalent goods or services.
- Prohibit an intermediate school board from entering into a contract in which a board member or ISD administrator had a substantial conflict of interest.
- Require board members and ISD administrators and employees to disclose their relationship with (or a family member's employment by or ownership interest in) a business with which the ISD was considering entering into a contract.
- Require an employment contract between an intermediate school board and a school administrator to prohibit conduct involving moral turpitude.
- Require an ISD board to adopt a policy requiring board approval of all travel by a board member or ISD employee that included at least one overnight stay and was paid for by the district, and requiring board approval of a pretravel authorization form and a posttravel form.
- Allow an intermediate school board to change its size from five to seven members.

MCL 380.611 et al.

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The Department of Education would face increased staff time and materials costs related to the requirement that the Department develop and distribute a model conflict of interest policy and a model policy defining allowable uses of public funds by ISDs. Also, the requirement that an ISD board approve all ISD-funded travel that included at least one overnight stay *before* it took place could necessitate additional board meetings and impose additional board meeting costs, if travel were last-minute and necessary and could not be approved at a regularly scheduled board meeting.

Date Completed: 11-9-04

Fiscal Analyst: Kathryn Summers-Coty

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Analysis available @ <http://www.michiganlegislature.org>

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