

Act No. 413
Public Acts of 2004
Approved by the Governor
November 29, 2004
Filed with the Secretary of State
November 29, 2004
EFFECTIVE DATE: July 1, 2006

**STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2004**

Introduced by Reps. Bradstreet, Ruth Johnson, Nitz, Woodward, Nofs, Stahl, Vander Veen and DeRossett

ENROLLED HOUSE BILL No. 5475

AN ACT to amend 1976 PA 451, entitled "An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts," (MCL 380.1 to 380.1852) by adding section 620.

The People of the State of Michigan enact:

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

(a) All of the following general information:

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

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

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

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

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

(i) The total cost of air travel.

(ii) The total cost of overnight lodging.

(iii) The total cost of car rental.

(iv) The total cost of meals.

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

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

(c) Except as otherwise provided in subsection (3) and subject to subsection (5), for each contract, other than an employment contract or a contract that is reported under subdivision (f), that was entered into by the intermediate school district during the school fiscal year and that either obligated the intermediate school district for an amount in excess of \$100,000.00; was not competitively bid and obligated the intermediate school district for an amount in excess of \$25,000.00; or was entered into with an entity in which an intermediate school board member or school administrator of the intermediate school district, or a family member of an intermediate school board member or school administrator of the intermediate school district, was known by the intermediate school board to have a monetary interest, a description of the contract that includes at least all of the following:

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

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

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

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

(e) Subject to subsection (4), for each intermediate school district employee with a compensation package with a total annual monetary value in the top 3% among the intermediate school district's employees, all of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) Mileage reimbursement.

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

(4) If an intermediate school district has fewer than 3 employees in the top 3% of employees as described in subsection (1)(e), the intermediate school district shall include the information required under subsection (1)(e) for each intermediate school district employee with a compensation package with a total monetary value in the top 3 among the intermediate school district's employees. If an intermediate school district has more than 20 employees in the top 3% of employees as described in subsection (1)(e), the intermediate school district shall include the information under subsection (1)(e) for each intermediate school district employee with a compensation package with a total monetary value in the top 20 among the intermediate school district's employees.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(10) As used in this section:

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

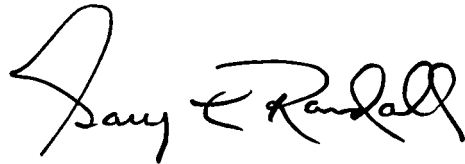
(b) "Family member" means a person's spouse or spouse's sibling or child; a person's sibling or sibling's spouse or child; a person's child or child's spouse; or a person's parent or parent's spouse, and includes these relationships as created by adoption or marriage.

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

Enacting section 1. This amendatory act takes effect July 1, 2006.

Enacting section 2. This amendatory act does not take effect unless House Bill No. 5627 of the 92nd Legislature is enacted into law.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor