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Senate Bills 80 and 81 (as introduced 1-24-13)  
Sponsor: Senator Goeff Hansen  
Committee: Education

Date Completed: 4-9-13

### **CONTENT**

**Senate Bills 80 and 81 would amend the State School Aid Act and the Revised School Code, respectively, to require districts to make information regarding reimbursement of expenses available to the public; and include school district funds within provisions that prohibit the use of district funds for certain purchases.**

The bills are tie-barred to each other, and would take effect 90 days after their enactment.

#### **Senate Bill 80**

The State School Aid Act requires school districts to provide certain information through a district's website, in a format prescribed by the Department of Education.

One piece of information the Act requires is a personnel expenditure pie chart. The chart must have subcategories indicating salaries and wages, benefit costs, and "all other" personnel expenses. The bill would require the subcategory of "all other" personnel expenses to include the total amount of expenses incurred by a district's board members and employees that the district reimbursed.

The bill also would require a district to provide, through the website, its written policies on: procuring supplies, materials, and equipment; and establishing specific categories of reimbursable expenses, as described in Section 1254 of the Revised School Code (a section that Senate Bill 81 would amend).

#### **Senate Bill 81**

Section 1254 of the Revised School Code governs payment by the board of a school district or intermediate school district of an expense incurred by a board member. In addition to being approved in advance by the board, the expense must be consistent with the board's adopted policy establishing specific categories of reimbursable expenses. The bill specifies that this policy would be a public record, and the bill would require the board to make the policy available to people who requested it.

The Code also forbids someone from using *intermediate school district* 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. Exceptions to this rule include purchases for awards in recognition of an employee, volunteer, or pupil, if the price

is not more than \$100 per recipient (annually adjusted by the average consumer price index since 1995). If someone violates this prohibition, he or she is guilty of a misdemeanor punishable by imprisonment for 93 days and/or a fine based on the amount of funds used illegally. The person also must provide restitution to that district. The bill would include *school district* funds in these provisions.

The Code defines "public funds" as taxes, State appropriations, Federal funds, or payments for services to an *intermediate school district*. Public funds do not include voluntary contributions to the district for a specific purpose. The bill would include the same funds of a *school district* within this definition.

MCL 388.1618 (S.B. 80)  
380.1254 & 380.1814 (S.B. 81)

Legislative Analyst: Glenn Steffens

### **FISCAL IMPACT**

There would be no State fiscal impact from this legislation.

Any local fiscal impact from the legislation would be minimal, and would arise from the requirement to make available additional details on personnel expenses, written policies governing procurement of supplies, materials, and equipment, and written policies establishing specific categories of reimbursable expenses.

Fiscal Analyst: Kathryn Summers