



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

MICHAEL P. FLANAGAN
STATE SUPERINTENDENT

July 11, 2013

MEMORANDUM

TO: Intermediate/Local District Superintendents and Public School Academy Administrators

FROM: Carol Wolenberg, Deputy Superintendent *Cawl*

SUBJECT: Updated Guidance for Budget and Salary/Compensation Transparency Reporting, Sections 22f and 81(7)

On June 13, 2013, the Governor amended the Best Practices Incentive requirements for districts and intermediate school districts under Sections 22f and 81(7) of the State School Aid Act, 2013 PA 60 [MCL 388.1622f and MCL 388.1681(7)]. This correspondence contains new requirements to be eligible for the Best Practices Incentive. MDE Budget Transparency Guidance has been updated to not only reflect these changes, but also to clarify additional reporting issues. Below is a summary of the changes.

Best Practice Requirements for Districts and ISDs

- A link to the MI School Data portal must be provided in at least one of two areas:
 - On the district's Main Home Page, directly under the Budget Transparency Icon
 - At the bottom of the district's Budget and Salary/Compensation Transparency web page
- Revenue and expenditure projections for 2014-2015 must be provided under the "Board Approved Budget" section of the transparency page
 - This projection should follow the same format as your regular budget and meet the minimum level of detail as defined in the *Michigan Public School Accounting Manual* (including the beginning and ending General Fund balances)
 - If you contract with Munetrix or Masadda for these projections, you may alternatively provide a link to the website in the "Board Approved Budget" section

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- For those districts with debt service obligations, the required Best Practice information can be found in your annual audit documents
 - The district may meet the debt obligation reporting requirement by including a footnote in the district's annual audit (see guidance for example)

For ISDs only, in addition to the above:

If you develop a service consolidation plan as part of meeting the Best Practice incentives, the plan must be made available on your website. At the bottom of your Budget Transparency page, please provide a link to the plan.

Additional Changes

- Clarified language regarding Employee Compensation Information. This data is based on the employee's most current W2 and should be updated within 30 days of the date the W2 is issued.
- A Budget Template has been added to the guidance. This provides an example of a budget that meets the minimum level of detail as defined in the *Michigan Public School Accounting Manual*, including beginning and ending General Fund balances.

Reminder

The Center for Educational Performance and Information (CEPI) will be closing the 2011-12 FID application as of July 29, 2013. Please ensure that your district has pulled the "Personnel" and "Current Operating Expenditure" pie charts and posted them to the district's website. Once the FID application is closed for the year, the district will not be able to access or download the charts.

Here is the link to the revised Guidance for Budget and Salary/Compensation Transparency Reporting:

http://www.michigan.gov/documents/mde/Budget_Transparency_Reporting_327912_7.pdf

If you have questions regarding the statutes or guidelines, please contact Chad Urchike at UrchikeC@michigan.gov or 517-335-1261.

cc: Michigan Education Alliance