



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

BRIAN J. WHISTON
STATE SUPERINTENDENT

July 9, 2015

MEMORANDUM

TO: Local and Intermediate School District Superintendents
Public School Academy Directors

FROM: Kyle L. Guerrant, Deputy Superintendent *KG*

SUBJECT: Guidance on 2015-16 Budget Transparency (Section 18)

The Michigan Department of Education has revised the Budget Transparency guidance to include changes made to the legislation under PA 85 of 2015. Below is a summary of the legislative changes for 2015-16. For a complete explanation of the changes, please view the revised guidance found on the Department's website by clicking [here](#).

Legislative Changes

- A district or intermediate district shall adopt an annual budget in a manner that complies with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.
- Three new data elements have been added to Subsection 2c, which means they apply to all schools including Intermediate School Districts:
 - The district's written policy governing procurement of supplies, materials, and equipment.
 - The district's written policy establishing specific categories of reimbursable expenses, as described in section 1254(2) of the revised school code, MCL 380.1254.
 - Either the district's accounts payable check register for the most recent school fiscal year or a statement of the total amount of expenses incurred by board members or employees of the district that were reimbursed by the district for the most recent school fiscal year.

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- If a district or intermediate district does not comply with subsection (2), the department may withhold up to 10% of the state school aid otherwise payable to the district or intermediate district under this article, beginning with the next payment due to the district or intermediate district, until the district or intermediate district complies with subsection (2). If the district or intermediate district does not comply with subsection (2) by the end of the fiscal year, the district or intermediate district forfeits the amount withheld.

Additional Reminders

- Current Year Budgets and Amendments: These must be detailed at the function level and include beginning/ending fund balances.
- Expenditure Pie Charts: If you submit an Educational Service Provider file, additional expenditure pie charts will be generated and must be posted. These pie charts are accessed through the Financial Information Database.
- Health Care Plans: A copy of all plan summary documents must be posted on the transparency page.
- Health Benefit Bids: The most current health benefit bids must be posted on the transparency page. If you do not request bids, please provide a line stating you do not request bids.
- Employee Compensation Information: The superintendent's information must be disclosed, regardless of salary amount. For schools that do not have a superintendent, information for the top administrator listed in the Educational Entity Master must be disclosed. In addition to the above, salary information must also be disclosed for all other employees whose salary exceeds \$100,000 in Medicare wages.
- **Each data element found in the legislation must be listed on your transparency page.** If you do not have information to post for a data element, please write a line stating you do not have any applicable information to provide.
- For new schools opening in 2015-16, data elements requiring previous fiscal year information will not be available. However, these sections must still be included on your transparency page. Please write a line stating that because this is your first year of operation, data is not available.
- If you use the budget transparency tools provided by a private vendor such as Munetrix or Eidex, you do not have to maintain a separate transparency page on your school website. The transparency icon on your Main Home Page can link directly to your vendor page, with all of the required data elements.
- Please view the supplements included at the end of our guidance. They illustrate the form and manner prescribed by the Department.

Questions related to budget transparency should be directed to Chad Urchike at Urchikec1@michigan.gov or 517-335-1261.

cc: Michigan Education Alliance