

## **MICHIGAN DEPARTMENT OF EDUCATION GUIDANCE FOR THE INTERMEDIATE SCHOOL DISTRICT ANNUAL WEBSITE REPORT**

Below are the statutory requirements found in MCL 380.620.

(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.

This concludes the legislative language as found in MCL 380.620 Subsections 1 through 10. The Department's guidance continues on the next page.

## Annual Website Report Guidance

A workgroup comprised of staff from the Department, ISDs, Michigan Department of Treasury, and Plante Moran has developed definitions and guidance for ISDs to consider when compiling the report.

ISDs must post the Annual Website Report on their website by December 31 of each year and include data from the most recently completed fiscal year. For state wide consistency, the Department recommends providing a link to the Annual Website Report at the bottom of your Budget Transparency web page.

Below are definitions and recommendations for the compilation of the annual report. We recommend that the actual statutory language be reviewed rather than relying solely on the summaries provided below. Please note that this guidance reflects what is required by law. The sample layouts used should not be viewed as the sole required format. ISDs should feel free to provide supplemental information, as they feel necessary, to assist the reader of the website report in understanding the information being provided.

Questions related to this guidance and the Annual Website Report may be directed to Chad Urchike at [urchikec1@michigan.gov](mailto:urchikec1@michigan.gov) or 517-335-1261.

**A. General Information:** Provide specific information about the ISD.

1. Total Budget
2. Pupil FTE
3. ISD Employees
4. Constituent Districts, PSAs, and Nonpublic Schools

Michigan Intermediate School District (99000)	FY 2015-2016
Total Budget	\$xx,xxx,xxx
Pupil FTE	xx,xxx
ISD Employees	xxx
Constituent Districts, PSAs, Nonpublic Schools	xx

**1. Total Budget** – Although the statute refers to “budget,” the intent is to report the final expenditures for the fiscal year. Use your final expenditures for the fiscal year, for all governmental funds combined, netting out transfers between funds.

**2. Pupil FTE** – Use the blended count from the August state aid status report of ALL FTEs (add “LEA MEMBERSHIP” and “ISD MEMBERSHIP”).

**3. ISD Employees** – Use the count from the June Register of Educational Personnel (REP).

**4. Constituent Districts, PSAs, and Nonpublic Schools** – The number of constituent districts is straightforward. For PSAs, use the number of PSAs located within the ISD that operated for any part of the fiscal year being reported. For nonpublic schools, the Department will provide a [report](#) following the end of the school year of the number of nonpublic schools (excluding home schools) that have registered with the Department to operate during the school year.

**B. Travel Information:** Provide specific fiscal year travel information for each board member or administrator whose travel expenses exceeded \$3,000 and were paid by the ISD.

1. Name and Position
2. Total Cost of Air Fare
3. Total Cost of Overnight Lodging
4. Total Cost of Car Rental
5. Total Cost of Meals
6. Dates, Purposes, and Travel Locations

Michigan Intermediate School District (99000)		
<b>Chuck Roast, Superintendent</b>		
FY 2016 total cost of air fare		\$x,xxx
FY 2016 total cost of overnight lodging		\$x,xxx
FY 2016 total cost of car rental		\$xxx
FY 2016 total cost of meals		\$xxx
<b>Dates</b>	<b>Purposes</b>	<b>Locations</b>
October xx-xx	Presentation on ESSA	Chicago, IL
December xx-xx	Regional accreditation meeting	St. Louis, MO
Etc.		

Additional Information:

- MCL 423.201 defines a public school administrator as “a superintendent, assistant superintendent, chief business official, principal, or assistant principal employed by a school district, intermediate school district, or public school academy.” It is recommended that ISDs consider persons in the category of “deputy superintendent” or “associate superintendent” to fall under the category of “administrator.” Further, an individual ISD may choose to expand this list as they feel necessary. The positions listed in the legal definition of public school administrator should be considered the minimum.
- The \$3,000 threshold, which will be adjusted for inflation annually by the Department, should be the sum of the items that are required to be reported (air fare, overnight lodging, car rental, and meals). Please take note of the exclusions listed below.
- Please note that the travel expenses to be included are only those that are paid for with ISD funds. Exclude any travel expenses that have been paid for or reimbursed by a third party.
- The various cost items (air travel, car rental, etc.) may be totaled for each individual; however, travel dates, purposes, and locations must be identified.
- The information to be reported **DOES NOT INCLUDE**:
  - Round-trip air travel between the Upper Peninsula and the Lower Peninsula on a scheduled airline or on a chartered plane, if the chartered plane cost is less than the published cost of a scheduled airline trip
  - Expenses for boat or air travel for work-related purposes between an island and the mainland (in-state)
  - Travel within the ISD for work-related purposes
  - Mileage

**C. Contract Information:** Provide information on certain contracts entered into by the ISD during the fiscal year.

1. Subject matter of the contract
2. Cost of the contract
3. Whether the contract was competitively bid or single source
4. Name and position of those who signed the contract on behalf of the ISD

<b>Subject Matter</b>	<b>Cost</b>	<b>Competitively bid?</b>	<b>Who signed?</b>	<b>Position</b>
"Chat and Chew" – Food Service	\$xxx,xxx	Yes	Arlene Menu	CFO
etc.				

Additional Information:

- "Contract" is defined in Black's Law Dictionary as "an agreement between two or more parties creating obligations that are enforceable or otherwise recognizable by law." "Contract" does not include purchase orders.
- "Competitively bid," as defined in school code section 620(10)(a), means a contract was entered into by a request for information, a request for proposal, or formal competitive bid process that was advertised and open to the public and includes a contract entered into on behalf of the ISD by another governmental entity or by a nonprofit corporation or nonprofit association.
- "Family member," as defined in school code section 620(10)(b), includes a spouse; sibling or sibling's spouse or child; spouse's sibling or child; child or child's spouse; and parent or parent's spouse; as created by adoption or marriage.
- The information to be reported **DOES NOT INCLUDE:**
  - o Employment contracts
  - o Contracts for fiber optic or cable equipment and operation system software for fiber optic or cable equipment networks
  - o Contracts for utilities
  - o Contracts for an annuity or retirement benefit for which all employees are eligible UNLESS the contract is for payment of a commission to a third-party broker for securing the contract
- The information to be reported **DOES INCLUDE:**
  - o Contracts in excess of \$100,000
  - o Contracts in excess of \$25,000 that were not competitively bid
  - o Contracts entered into with an entity in which an ISD board member, administrator, or family member was known by the ISD board to have a **monetary interest**
- The following situations do **NOT** indicate a **monetary interest:**
  - o A contract between the ISD and a corporation in which a board member, administrator, or family member is a stockholder owning 1% or less of the total stock, if the stock is not listed on the stock exchange
  - o A contract between the ISD and a corporation in which a board member, administrator, or family member is a stockholder owning stock with a present market value of \$25,000 or less, if the stock is listed on the stock exchange
  - o A contract between the ISD and a corporation in which a trust under which a board member, administrator, or family member is a beneficiary if the trust

- owns 1% or less of the total stock, if the stock is not listed on the stock exchange
- o A contract between the ISD and a corporation in which a trust under which a board member, administrator, or family member is a beneficiary if the trust owns stock with a present market value of \$25,000 or less, if the stock is listed on the stock exchange
- o A contract between the ISD and a professional limited liability company if a board member, administrator, or family member is an employee but not a member of the company
- o A contract between the ISD and a corporation in which a board member, administrator, or family member is not a director, officer, or employee
- o A contract between the ISD and a firm, partnership, or other unincorporated association in which a board member, administrator, or family member is not a partner, member, or employee
- o A contract between the ISD and a corporation or firm that has a debt owed to a board member, administrator, or family member
- o A contract between the ISD and a constituent district

**D. Contract Modification Information:** Provide information on certain contract modifications made by the ISD during the fiscal year.

1. A description of the modification
2. The total additional amount
3. The total financial obligation

Modification Description	Additional Amount	Revised Total
"Mr. Clean" – Added maintenance of buildings 3, 4, and 5	\$xx,xxx	\$xxx,xxx
etc.		

Additional Information:

- The information to be reported **DOES NOT INCLUDE**:
  - o Modifications to contracts for utilities
  - o Modifications to contracts for an annuity or retirement benefit for which all employees are eligible UNLESS the contract is for payment of a commission to a third-party broker for securing the contract
- The information to be reported **DOES INCLUDE**:
  - o Modifications resulting in an additional obligation exceeding \$100,000
  - o Modifications that increased the total obligation to over \$100,000
  - o Modifications that were not competitively bid and that resulted in an additional obligation exceeding \$25,000
  - o Modifications that were not competitively bid and that increased the total obligation to over \$25,000



**E. Salary, Expense Account, and Supplemental Compensation Information:** Provide certain information on employees with compensation packages with the highest monetary value.

1. Dollar value of salary
2. Dollar value of expense account
3. Dollar value of all reimbursed expenses
4. Dollar value of all supplemental compensation (as defined below)

Position	Salary	Expense Account	Reimbursed Expenses	Supplemental Compensation
Superintendent	\$xxx,xxx	\$xx,xxx	\$xxx	\$xx,xxx
CFO	\$xx,xxx	\$xx,xxx	\$xx	\$xx,xxx
etc. (at least 3; not more than 20)				

Additional Information:

- Determine which ISD employees have "...a compensation package with a total annual monetary value in the top 3% among the intermediate school district's employees..."
  - Determine the number of employees for whom the compensation information will be reported. Using the figure reported in **A. General Information**, multiply that figure by .03 to determine the 3% figure. If the resulting number is less than 3, the ISD must report on the top 3 employees. If the resulting number is greater than 20, the ISD must report on the top 20.
  - Determine the sum of Salary + Expense Accounts + Reimbursed Expenses + Supplemental Compensation for each employee. NOTE: This calculation does not need to be made for all employees if the ISD can demonstrate a good faith effort to include all employees with a high probability of being in the top 3%.
- Rank the employees in decreasing order of total compensation and identify the employees by position
- **Salary** is as defined by contract
- **Expense Account** is funds provided to the employee above and beyond salary to provide for the payment of expenses in a non-accountable plan
- **Reimbursed Expenses** are reimbursed personal expenses. Reimbursed expenses do NOT include travel expenses for work-related business or other expenses related to doing the business of the ISD.
- **Supplemental Compensation** includes the dollar value of any bonus, stipend, or other supplemental compensation, meaning 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 ISD, as defined by contract

**F. Fiber Optic or Cable Equipment and Operating System Software for Fiber Optic or Cable Equipment Networks:** Provide certain information on the expenditures and source(s) of funding for this equipment and software.

1. The source(s) (list each ISD fund separately along with other sources) of the funding used to make these expenditures
2. The amount expended from each source

Fund Source	Expenditures for Fiber Optic or Cable Equipment or OS Software
General Fund	\$xx,xxx
etc.	
-- OR --	
No expenditures for fiber optic or cable equipment or operating system software for fiber optic or cable equipment networks.	

Additional Information:

- Fiber Optic or Cable “Equipment” means terminating equipment that would include such items as routers, switches, and modems. “Equipment” does not include the fiber or cable itself or the cost of installation.
- “Operating System Software” for Fiber Optic or Cable Equipment “Networks” means the operating system on the network, if the network uses fiber optic or cable.

**G. Public Relations, Polling, Lobbying, and Legal Services:** Provide certain information on payments made to non-employees for these services.

1. Name of the vendor
2. Description of the services received
3. The amount paid

Vendor	Services	Amount
Boston Legal	Legal services	\$xx,xxx
CFI Care	Public relation services	\$xx,xxx
etc.		

Additional Information:

- Information to be provided is for payments made to non-employees only. If ISD employees provide these services, the expenses related to these services do not need to be included in this section of the report. Please see **I. Certain ISD Expenditures** below.
- Provide the information by vendor.

**H. IRS Tax Form 1099 in Excess of \$25,000:** Provide certain information on payments made to individuals who received a federal income tax form 1099.

1. The name of the individual
2. The total amount paid
3. A description of the project(s) for which the person was contracted
4. The services provided by the individual

Name	Amount	Projects	Services
Lionel Twain	\$xx,xxx	"Model Teachers"	Project management and coordination
etc.			

Additional Information:

- Do NOT include information on payments to individuals already reported as employees under **E. Salary, Expense Account, and Supplemental Compensation Information** or as vendors under **G. Public Relations, Polling, Lobbying, and Legal Services**

**I. Certain ISD Expenditures:** Provide certain information on ISD expenditures for administration and public relations, surveys, polling, lobbying, and legal services.

1. The amount and percentage of the total budget spent on administrative costs for the fiscal year.
2. The amount and percentage of the total budget spent on any of the following: public relations, surveys, polling, lobbying, and legal services. The ISD may choose to indicate how much of this figure has already been reported under **G. Public Relations, Polling, Lobbying, and Legal Services**.

Category	Amount	% of Budget
Administrative Costs	\$x,xxx,xxx	xx.x%
Public relations, surveys, polling, lobbying, legal services	\$xxx,xxx	x.x%

Additional Information:

- "Administrative Costs" are not defined in the Michigan Public School Accounting Manual. However, for consistency in reporting, it is recommended that ISDs report expenditures under the 230 (General Administration) and 240 (School Administration) function codes on the Financial Information Database (FID).
- "Total budget" is the figure reported under **A. General Information**

**J. Motor Vehicle Information:** Provide certain information on motor vehicles owned or leased by the ISD during the fiscal year.

1. Each motor vehicle (noting exclusions below) owned or leased by the ISD
2. For each vehicle, a description of the purposes for which they were used

<b>Motor Vehicles</b>	<b>Purpose</b>
2003 Ford Taurus	Superintendent's personal and business related use
2002 Chevy Cavalier	Pool car for staff business-related use
etc.	

- Exclude vehicles already reported under **C. Contract Information**
- Exclude vehicles weighing more than 7,500 pounds