



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

MICHAEL P. FLANAGAN
SUPERINTENDENT OF
PUBLIC INSTRUCTION

June 30, 2011

MEMORANDUM

TO: Local School District Superintendents, Public School Academy Directors

FROM: Carol Wolenberg, Deputy Superintendent *Carol*

SUBJECT: Guidance on Financial Best Practices Incentive, Section 22f

On June 21, 2011, the Governor enacted legislation under Section 22f of the State School Aid Act, 2011 PA 62, that appropriates \$154 million to provide \$100 per pupil allocations for the FY 2011-2012 school year to local school districts and public school academies meeting 4 out of 5 of the following financial best practices.

- Charge employees at least 10% of the health care premium
- Hold policy on medical benefit plans (if directly employed by district)
- Develop and implement a Service Consolidation Plan
- Obtain competitive bids on non-instructional services
- Provide a dashboard or report card with specific indicators

To simplify the process, the Department has developed the attached Guidance on Financial Best Practices as Defined in MCL 388.1622f. Each district wishing to apply for the funds under this section must submit to the Department a board of education resolution that certifies the district's compliance with the required best practices. The funds will be distributed pursuant to the payment schedule in Section 17b of the State School Aid Act as the Department determines the district has met the best practice requirement.

In addition, the legislation requires the Department to revise its guidance related to Service Consolidation plans. The revised guidance is available at:
http://www.michigan.gov/documents/mde/Service_Consolidation_Guidelines_338246_7.pdf

If you have questions, please contact Glenda Rader at raderg@michigan.gov.

cc: Michigan Education Alliance
Intermediate School District Superintendents

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608 WEST ALLEGAN STREET • P.O. BOX 30008 • LANSING, MICHIGAN 48909
www.michigan.gov/mde • (517) 373-3324