

# STATE SCHOOL AID UPDATE

Michigan Department of Education



April 2011

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## **STATE SCHOOL AID DATA UPDATED FOR APRIL**

The April state school aid payment is the 7<sup>th</sup> regular payment of the year and reflects 63.63% of the year's allocation for Sections 22a, 51c, and 22b as well as for most categoricals. Prior year adjustments are made at 100% in a single payment. The payment will post at the districts' banks on Wednesday, April 20, 2011.

The following categoricals were updated for the April payment:

- **Renaissance Zone** – Section 26a (Howard Heideman, Treasury, Office of Revenue and Tax Analysis, (517) 373-9002, [HeidemanH@Michigan.gov](mailto:HeidemanH@Michigan.gov)).
- **Great Start ISD** – Section 32j (Colleen O'Connor, Early Childhood Education and Family Services, (517) 241-4291, [OconnorC1@Michigan.gov](mailto:OconnorC1@Michigan.gov)).

## **TEACHER STUDENT DATA LINK FUNDS IN APRIL PAYMENT**

In the March 2011 UPDATE we advised that the State School Aid Section 94a Teacher Student Data Link funds would be included in the April 2011 payment. They appear on page one of the State School Aid Financial Status Report, in the Section Labeled "Current Year Allowances," on a line labeled "94.9 Teacher Student Data Link." The amount of the reimbursement is \$5.38 per pupil. The pupil count used is the current year blend of both general education and special education pupils. It is labeled "state aid membership" on the top right side of the State Aid Financial Status Report.

## **FINANCIAL INFORMATION DATA REPORTING ISSUES**

The Department recently asked districts to submit corrections to the Financial Information Database (FID) based on a comparison of American Recovery and Reinvestment Act (ARRA) funds data in the Michigan Education Grants Program System/Cash Management System and the FID. We appreciate all of you who submitted corrections to the 2010 FID. This allowed us to report a reasonable amount of ARRA revenues and expenditures to the National Public Education Finance Survey. **Reminder** - The FID will continue to collect financial data to the state/grant code dimension next year. The Department is under increased scrutiny to show that it is monitoring public schools' use of federal funds that pass through the Department. For that reason, we will be incorporating more data checks in the 2011 FID to assure that the revenues and expenditures reported to it are consistent. We will also perform additional data verification checks to ensure that the FID reported data is consistent with the audited financial statements and the MDE Cash Management System (CMS).

## **FY 2010 BULLETINS 1011 AND 1014 PUBLISHED**

The FY 2010 Bulletin 1011-Analysis of Michigan Public School Districts-Revenue and Expenditures and the Bulletin 1014-Michigan Public School Districts Ranked by Selected Financial Data are now available on the MDE website at: [http://www.michigan.gov/mde/0,1607,7-140-6530\\_6605---,00.html](http://www.michigan.gov/mde/0,1607,7-140-6530_6605---,00.html). With questions related to the bulletins, contact Glenda Rader, State Aid and School Finance, (517) 335-0524 or email: [RaderG@Michigan.gov](mailto:RaderG@Michigan.gov).

## **BUDGET TRANSPARENCY REPORTING**

The Department encourages school district personnel to review the district's website to ensure that it includes the required Budget Transparency data elements including the latest current year budget revision, the 2009-2010 expenditure pie charts, any updated salary information, and any other updates to the data elements required by the State School Aid Act (MCL 399.1618(2)). State School Aid and School Finance staff will be reviewing the websites again soon to ensure compliance with the legislation. With questions related to the Budget Transparency reporting, contact Jeff Kolb, State Aid and School Finance, (517) 373-1908 or email: [KolbJ2@Michigan.gov](mailto:KolbJ2@Michigan.gov).

## **DEFICIT FUND BALANCE INFORMATION**

A communication to all districts was sent on April 7, 2011 advising of the Department's Deficit Elimination Plan requirements for any district incurring a fund deficit or adopting a deficit budget.

The official communication can be viewed at:

[http://www.michigan.gov/documents/mde/New\\_DEP\\_Requirements\\_\\_349864\\_7.pdf](http://www.michigan.gov/documents/mde/New_DEP_Requirements__349864_7.pdf)

Districts that have budgeted a negative fund balance either in the current year or in fiscal year 2011-2012 should notify MDE as soon as possible. The standard deficit elimination spreadsheet, MDE requirements, and a list of districts currently operating under an approved deficit elimination plan are available on our website at: [http://www.michigan.gov/mde/0,1607,7-140-6530\\_6605-106599--,00.html](http://www.michigan.gov/mde/0,1607,7-140-6530_6605-106599--,00.html). With questions related to this item, contact Jeff Kolb, State Aid and School Finance, (517) 373-1908 or email: [KolbJ2@Michigan.gov](mailto:KolbJ2@Michigan.gov).

### **SECTION 31d LUNCH AND SECTION 31f BREAKFAST PAYMENTS**

FY 2010 Section 31f Breakfast payments are included as part of the April State School Aid payment. They appear on page two of the State Aid Financial Status Report, in the Section labeled "Prior Year Adjustments," on a line labeled "31f 2010 School Breakfast." Adjustment to the FY 2010 Section 31d School Lunch funds also appear there this month. Information used to calculate the Section 31f payments and the Section 31d adjustments came directly from district reported 2010 Financial Information Database (FID) data as well as the monthly school meals claim reports. The 2010 School Meal Reports are available on the MDE website at:

[http://www.michigan.gov/documents/mde/schmeals2010\\_340587\\_7.pdf](http://www.michigan.gov/documents/mde/schmeals2010_340587_7.pdf). With questions related to the Section 31d and Section 31f funds, contact Dawn Lake, Grants Coordination and School Support Services, (517) 373-9785 or [LakeD@michigan.gov](mailto:LakeD@michigan.gov).

### **INDIRECT COSTS**

Current indirect cost rate information is available at: [http://www.michigan.gov/mde/0,1607,7-140-6530\\_6605-118785--,00.html](http://www.michigan.gov/mde/0,1607,7-140-6530_6605-118785--,00.html). The new rate information includes Special Education rates for 2010-2011 and preliminary rate information for 2011-2012. Form R0418a, *Costs for the Development of 2011-2012 Federal Indirect Cost Rates* details the cost data used to calculate preliminary indirect cost rates. Form R0418, *Carryforward Calculation for 2011-2012 Federal Indirect Cost Rates* shows the results of the preliminary calculation. Form 4513 allows the district to edit preliminary cost information to portray more accurate indirect cost rates. If you have any questions or comments, please contact Phil Boone at (517) 335-4059 or [BooneP2@Michigan.gov](mailto:BooneP2@Michigan.gov).

### **SECTION 25C ADJUSTMENTS**

Section 25c of the State School Aid Act allows a "district of the first class" to bill a local district or public school academy (PSA) for pupils that transfer to the district of the first class after the pupil membership count day. The pupils involved are those counted on the pupil membership count day in the district from which they transferred and were residents of the district of the first class on that pupil membership count day. The Section 25c language requires the Department to deduct the amount of the bill from the remaining state school aid payments of the district or PSA from which the pupil transferred and pay the amount to the district of the first class. Several districts and PSAs will see a Section 25c adjustment referencing FY 2009 on their April 2011 State School Aid Financial Status Reports. The dollar amounts are negative and are labeled "2009 Pupil Transfer Adjustment." Questions concerning this item may be directed to Dan Hanrahan, Office of State Aid and School Finance, (517) 335-0521 or [HanrahanD@Michigan.gov](mailto:HanrahanD@Michigan.gov).

### **APRIL MSBO CONFERENCE**

Office of State Aid and School Finance staff will be attending the annual MSBO conference in Grand Rapids at various times April 26 – April 28, 2011. We look forward to seeing you there. Feel free to catch up to us with any questions or concerns that you may have.

### **GENERAL INFORMATION**

- The **DS-4168B, Planned Number of Days and Clock Hours of Pupil Instruction** was due **April 15, 2011**. The form is available on line at [www.Michigan.gov/mde](http://www.Michigan.gov/mde). Select "keywords" along the top of the screen and then "State Aid Forms."
- The 4<sup>th</sup> quarterly count date for **Adult Education** program participants is the 4<sup>th</sup> Wednesday in April, **April 27, 2011**.
- The proration factor for Section 31a-At Risk funding is \$357.400001376 per pupil.
- The proration factor for Section 29-Declining Enrollment is .0787704931.
- The proration factor for Section 56 Special Education Millage Equalization is .9345103152

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\*Do you have questions about the information appearing in this UPDATE? Call the consultants identified above or **Dan Hanrahan, Director, State Aid & School Finance, MDE**, phone: (517) 335-0521, fax: (517) 241-0196, e-mail: [HanrahanD@Michigan.gov](mailto:HanrahanD@Michigan.gov).