

**REMINDER TO DISTRICTS THAT PLEDGED THEIR AUGUST PAYMENT**

Approximately 195 school districts participated in the Michigan Municipal Bond Authority's (MMBA) State Aid Note (SAN) Program 2008A-2, and pledged their August 2009 school aid payment to Wells Fargo Bank. If your district participated in this program, please be reminded that your August payment will not be deposited in your bank account. Rather, your payment will be deposited with Wells Fargo Bank and any excess funds will be returned to the school by them. If you have questions contact Lois Sauers, Michigan Municipal Bond Authority (517) 373-1728 or [SauersL@Michigan.gov](mailto:SauersL@Michigan.gov).

**AUGUST PAYMENT INFORMATION**

The August state school aid payment is the 11<sup>th</sup> and final payment of the year and reflects a cumulative 100% of the year's allocations for Sections 22a, 51c, and 22b as well as for the categorical funding. As is Department policy, any prior year adjustments since July have also been processed at 100% in the August payment.

Taxable Value – The August payment was calculated using the most recent taxable value data reported to the Department by county treasurers via the web based taxable valuation collection process. These data can be viewed by school district personnel on the Department's website. The URL is

<http://mdoe.state.mi.us/TaxableValue>. To view your data click on "Public Access," and then choose your district code and the applicable tax year from the drop down menu. Any revisions to taxable values received prior to August 5, 2009 were incorporated into the payment calculation.

Pupil Membership – The audited February 2008 and September 2008 pupil counts submitted via the SRSD system have been used in the calculation of the August payment. For PSAs in their first or second year of operation, the February 2009 count data submitted via the SRSD are averaged with the audited September 2008 count.

Updated Categoricals - The following categorical were updated in the August payment although the updates may not have affected the allocation amounts for all districts. If the allocation amount for your district has changed and you have questions concerning that change, contact the consultants identified below:

- Crisis Intervention – Section 99i (Kyle Guerrant, Grants Coordination and School Support Services, (517) 335-0565, [GuerrantK@Michigan.gov](mailto:GuerrantK@Michigan.gov))
- Juvenile Detention Facilities – Section 24a (Dan Hanrahan, State Aid and School Finance, (517) 335-0521, [HanrahanD@Michigan.gov](mailto:HanrahanD@Michigan.gov))
- Renaissance Zones – Section 26a (Howard Heideman, Treasury, Revenue and Tax Analysis, (517) 373-9002, [HeidemanH@Michigan.gov](mailto:HeidemanH@Michigan.gov))

**FINANCIAL INFORMATION DATABASE (FID) REMINDER**

All public schools that received state school aid during 2008-2009 are required to electronically submit financial data to the Financial Information Database (FID) by November 16, 2009. Failure to submit the FID data by that date is cause for the withholding of future state school aid payments (MCL 388.1618(9)). Questions related to the financial data required in this submission may be directed to Glenda Rader at (517) 335-0524 or e-mail [RaderG@Michigan.gov](mailto:RaderG@Michigan.gov). **The FID application will open for district submissions on September 8, the Tuesday after Labor Day.** At least one staff member must be designated by each district and public school academy to submit data via the FID application. To become authorized, this individual must download and complete a security agreement. To locate the agreement, go to [www.Michigan.gov/CEPI](http://www.Michigan.gov/CEPI), click on "MEIS Data Services" from the left-side navigation bar, and then on "Financial Information Database." In the pink box titled "Upload FID Data to CEPI," click on the "FID Security Agreements" link. Questions related to accessing the system or submission of data to the FID may be directed to the DIT Client Service Center by e-mail at [Help-Desk@Michigan.gov](mailto:Help-Desk@Michigan.gov) or telephone (517) 335-0505.

**2008-2009 STATE SCHOOL AID REVENUE RECOGNITION**

State school aid revenue reported on the 2008-2009 financial data submission should be consistent with amounts shown on the district's August 2009 State Aid Financial Status Report. Minor differences may occur as the result of accounts payable and receivable issues. Care should be taken to record the revenues in the appropriate fund, major class codes, and suffix as indicated in the *Michigan Public School Accounting Manual*. Account numbers for the 2008-2009 state school aid revenue may be found on our website at: [http://www.Michigan.gov/mde/0,1607,7-140-6530\\_6605-21356--,00.html](http://www.Michigan.gov/mde/0,1607,7-140-6530_6605-21356--,00.html). Deferred Revenue – any restricted state grant funds (i.e., At Risk, Adult Education, Math/Science) remaining unspent at year end should be recorded in the financial statements as deferred revenue (balance sheet major class code 471) rather than as a reserve of fund balance. This does not apply to funds that are awarded without restriction as to use. Questions related to revenue recognition should be directed to Glenda Rader, Office of State Aid and School Finance, at (517) 335-0524 or by e-mail at [RaderG@Michigan.gov](mailto:RaderG@Michigan.gov).

## **WITHHOLDING OF SECTION 31A AT-RISK FUNDS**

Pursuant to State School Aid Act Section 31a(9), local districts and public school academies that did not submit the 2008-2009 Section 31a Program report by July 15 will have the August portion of the annual At-Risk allocation withheld until the Department receives the report. If the report is not received by September 30, the withheld funds will be forfeited. Please note that if the Office of State Aid and School Finance received notification from the Office of School Improvement that a report was received prior to the calculation of the August payment, the funds were not withheld. Questions may be directed to Judy Thelen, Office of School Improvement, (517) 335-1266 or e-mail [ThelenJ8@Michigan.gov](mailto:ThelenJ8@Michigan.gov). The 2008-2009 Section 31a Program Report form is available in the Michigan Electronic Grants System (MEGS) at <http://megs.mde.state.mi.us/megs/>.

## **DEFICIT DISTRICT INFORMATION**

Deficit Elimination Plans for districts or academies incurring a negative general fund balance as of June 30, 2009 are due to the MDE by December 15, 2009. Districts having incurred a negative general fund balance as of June 30, 2009 should contact the Office of State Aid and School Finance as soon as possible to begin planning their Deficit Elimination Plan (DEP) submissions, if they have not already done so. DEP forms are available on the Department's website at [http://www.michigan.gov/mde/o,1607,76-140-6530\\_6605-106599--,00.html](http://www.michigan.gov/mde/o,1607,76-140-6530_6605-106599--,00.html). If audited financial data for the 2008-2009 school year are not yet available, please use the most recent board adopted budget figures in the "Actual 2008-2009" column. Current Deficit Elimination Plan forms are available on the Department's website at [http://www.michigan.gov/mde/o,1607,7-140-6530\\_6605-106599--,00.html](http://www.michigan.gov/mde/o,1607,7-140-6530_6605-106599--,00.html). Questions related to a DEP should be directed to Phil Boone, Office of State Aid and School Finance, at (517) 335-4059 or by e-mail at [BooneP2@Michigan.gov](mailto:BooneP2@Michigan.gov).

## **SECTION 53A PRORATION**

During the course of fiscal year 2008-2009 the allowances for Section 53a have prorated due to the current year appropriation being less than the statewide eligibility for those funds. The negative supplemental bill enacted as P.A. 73 of 2009 (see July UPDATE for more detail information on the bill) included additional funding for Section 53a to eliminate the proration. Unfortunately, those additional funds were not included in the state school aid database used to calculate the August payment. Therefore, the Section 53a allowances continue to be prorated (see factor below) in the August payment. This will be corrected in the fiscal year 2009-2010 payment when the fiscal year 2008-2009 actual allowances are calculated and the prior year adjustments for those allowances are processed. Questions may be directed to Dianne Easterling, Office of Special Education and Early Intervention Services, (517) 241-4517 or e-mail [EasterlingD@Michigan.gov](mailto:EasterlingD@Michigan.gov).

## **IMPORTANT DATES TO REMEMBER**

- October 20, 2009 is the date of the annual **MDE/MSBO Fall Workshop**. This year's conference will be at the Eagle Eye Golf Club located just outside of East Lansing in Bath, Michigan.
- Pursuant to Section 380.1284b of the Revised School Code, unless it conflicts with a calendar agreed to as part of a current collective bargaining agreement that was in effect as of September 29, 2005, **school is not to be in session prior to Labor Day** (September 7, 2009).
- **Wednesday, September 30** is the **pupil membership count day** for 2009-2010 and the second adult education participant count day of the year. (Joellen Wonsey, (517) 373-3352, [WonseyJ@Michigan.gov](mailto:WonseyJ@Michigan.gov)).
- The **SE-4096 Special Education Cost Report** for the 2008-2009 school fiscal year is due on **September 30**. (Dianne Easterling, (517) 373-6488, [EasterlingD@Michigan.gov](mailto:EasterlingD@Michigan.gov))
- The **SE-4094 Special Education Transportation Expenditure Report** for the 2008-2009 school fiscal year is due on **October 7**. (Dianne Easterling, (517) 373-6488, [EasterlingD@Michigan.gov](mailto:EasterlingD@Michigan.gov))
- The October 20, 2009 state school aid payment is the first payment of the 2009-2010 fiscal year. There is no September school aid payment.
- Districts are required to report by **November 1** to the local health department the immunization status of all students entering kindergarten or a new school in grades 1-12. Also, districts are required to report by **November 1** to the local health department the **immunization status** of all pupils who enrolled in grade 6 in the district or ISD for the first time between January 1 and September 30, 2008. (Patty Lawless (517) 373-1122, [LawlessP@Michigan.gov](mailto:LawlessP@Michigan.gov))
- **November 1** is the deadline for local districts (including PSAs) to file their **2008-2009 financial audit report** with the ISDs. Both the **financial and pupil accounting audit reports** are due to the Department on **November 16**. **Failure to file these reports will result in the withholding of state aid.** (Kathy Weller, (517) 335-6858, [WellerK@Michigan.gov](mailto:WellerK@Michigan.gov))
- The **2008-2009 FID – Annual Comprehensive Financial Report** is due from local and intermediate districts to CEPI by **November 16** (see related item above). **Failure to file this report will result in the withholding of state aid.** (Glenda Rader, (517) 335-0524, [RaderG@Michigan.gov](mailto:RaderG@Michigan.gov))
- **Proration factors:** Section 31a – At Risk funding per pupil proration is \$254.442817084. Section 29- Declining Enrollment proration is .0745919574. Section 56 – ISD Special Ed Millage Equalization proration is .983439233. Section 53a – Special Education proration is .9568307894.