

REMINDER TO DISTRICTS THAT PLEDGED THEIR AUGUST PAYMENT

Approximately 185 school districts participated in the Michigan Municipal Bond Authority's (MMBA) State Aid Note (SAN) Programs 2009C-2 or 2009C-3, and pledged their August 2010 school aid payment to the Bank of New York Mellon. If your district participated in one of these programs, please be reminded that all or part of your August payment will not be deposited in your bank account. Rather, the note set-aside portion will be deposited with the bank. If you have questions contact Lois Sauers, Michigan Municipal Bond Authority (517) 373-1728 or SauersL@Michigan.gov.

BUDGET TRANSPARENCY UPDATE

A review of a large sample of school district websites reveals that an estimated 48% of districts have currently complied with the Budget Transparency Reporting requirements in Section 18(2) of the State School Aid Act (MCL 388.1618). Another 18 % have partially complied. However, 34% are in non-compliance. The Budgetary Transparency Reporting Guidance was disseminated to local and intermediate districts and public school academies by an Official Michigan Department of Education Communication. Reminders have been in previous editions of the State School Aid UPDATE. The due date for the data to be on the websites was July 30, 2010. The Department guidance can be found at http://www.michigan.gov/documents/mde/Budget_Transparency_Reporting_327912_7.pdf. The department will be making direct contact with the districts that are in non-compliance with this requirement in the near future. Questions should be directed to Jeff Kolb, Office of State Aid and School Finance, at (517) 373-1908 or by e-mail at KolbJ2@Michigan.gov.

AUGUST PAYMENT INFORMATION

The August state school aid payment is the 11th 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 prior to August 2, 2010. The URL is <http://mdoe.state.mi.us/TaxableValue>.

Pupil Membership – The audited February 2009 and September 2009 pupil counts submitted via the MSDS have been used in the calculation of the August payment. For PSAs in their first or second year of operation, the February 2010 count data submitted via the MSDS are averaged with the audited September 2009 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:

- Great Start School Readiness – Section 32d (Blanche Deren, Early Childhood and Family Services, (517) 241-4289, DerenB@Michigan.gov)
- Great Parents Great Start – Section 32j (Colleen O'Connor, Early Childhood and Family Services, (517) 241-4291, OconnorC1@Michigan.gov)
- Special Education – Section 54 (Dianne Easterling, Special Education and Early Intervention, (517) 241-4291, EasterlingD@Michigan.gov)
- School for the Deaf Tuition Deduct – Section 51a (Dianne Easterling, Special Education and Early Intervention, (517) 241-4291, EasterlingD@Michigan.gov)
- Adult Education – Section 107 (Joellen Wonsey, State Aid and School Finance, (517) 373-3352, WonseyJ@Michigan.gov)
- Renaissance Zones – Section 26a (Howard Heideman, Treasury, Revenue and Tax Analysis, (517) 373-9002, HeidemanH@Michigan.gov)

FINANCIAL INFORMATION DATABASE (FID) REMINDER

All public schools that received state school aid during 2009-2010 are required to electronically submit financial data to the Financial Information Database (FID) by November 15, 2010. 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. **The FID application will open for district submissions on September 7, 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, 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 or telephone (517) 335-0505.

2009-2010 STATE SCHOOL AID REVENUE RECOGNITION

State school aid revenue reported on the 2009-2010 financial data submission should be consistent with amounts shown on the district's August 2010 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 2009-2010 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. 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.

MICHIGAN E-TRANSCRIPT INITIATIVE

State School Aid Act (MCL 388.1619) Section 19(3) Compliance with *Provisions of America Recovery and Reinvestment Act (ARRA) of 2009*, and Section 19(7) Failure to *Comply with Certain Requirements* both address the need for public school districts and intermediate school districts to adopt the Michigan e-Transcript Initiative, which is one component aiding the creations of Michigan's P-20 statewide longitudinal data system. In order to retain the ARRA dollars, local and intermediate school district superintendents signed assurances of compliance and will demonstrate, among other things, the ability to send all high school transcript data to the state by December 31, 2010. Many districts and high schools are behind on this commitment. Please check your status at:

http://www.michigan.gov/documents/cepi/e-transcript_Secondary_Status_299907_7.pdf.

Questions can be directed to cepi@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 2009-2010 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 Field Services that a report was received prior to the calculation of the August payment, the funds were not withheld. Questions may be directed to Michelle Patton, Office of Field Services, (517) 373-6066, or PattonM@Michigan.gov or Judy Thelen, Office of Field Services, (517) 335-1266 or e-mail ThelenJ8@Michigan.gov. The 2009-2010 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, 2010 or whose Board has adopted a 2010-2011 deficit budget are due to the MDE by December 15, 2010. Districts having incurred a negative general fund balance as of June 30, 2010 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/0,1607,7-140-6530_6605-106599--,00.html.

Current Deficit Elimination Plan forms are available on the Department's website at:

http://www.michigan.gov/mde/0,1607,7-140-6530_6605-106599--,00.html. Questions related to a DEP should be directed to Jeff Kolb, Office of State Aid and School Finance, at (517) 373-1908 or by e-mail at KolbJ2@Michigan.gov.

SECTION 56 AND 62 UPDATED

The intermediate school district allowances under Section 56 (Special Education Millage Equalization) and Section 62 (Vocational Education Millage Equalization) have been updated in the August payment based on amendments to those Sections that were enacted in P.A. 110 of 2010 (the FY 2011 State School Aid Budget Bill) that affect FY 2010. The amendments raised the taxable valuation per pupil thresholds used in the calculation of the allowances in Sections 56 and 62 to \$180,600 and \$191,000 respectively. Questions should be directed to Dan Hanrahan, Office of State Aid and School Finance, at (517) 335-0521 or by e-mail at HanrahanD@Michigan.gov.

IMPORTANT DATES TO REMEMBER

- October 26, 2010 is the date of the annual **MDE/MSBO Fall Workshop**. This year's conference will be at the Michigan State University's Kellogg Center in East Lansing, 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 6, 2010).
- **Wednesday, September 29, 2010** is the **pupil membership count day** for 2010-2011 and the second adult education participant count day of the year. (Joellen Wonsey, (517) 373-3352, WonseyJ@Michigan.gov).
- The **SE-4096 Special Education Cost Report** for the 2009-2010 school fiscal year is due on **September 30**. (Dianne Easterling, (517) 373-6488, EasterlingD@Michigan.gov)
- The **SE-4094 Special Education Transportation Expenditure Report** for the 2009-2010 school fiscal year is due on **October 7**. (Dianne Easterling, (517) 373-6488, EasterlingD@Michigan.gov)
- The October 20, 2010 state school aid payment is the first payment of the 2010-2011 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, 2010
- . (Patty Lawless (517) 373-1122, LawlessP@Michigan.gov)
- **November 1** is the deadline for local districts (including PSAs) to file their **2009-2010 financial audit report** with the ISDs. Both the **financial and pupil accounting audit reports** are due to the Department on **November 15**. **Failure to file these reports will result in the withholding of state aid.** (Kathy Weller, (517) 335-6858, WellerK@Michigan.gov)
- The **2009-2010 FID – Annual Comprehensive Financial Report** is due from local and intermediate districts to CEPI by **November 15** (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)
- **Proration factors:** Section 31a – At Risk funding per pupil proration is \$289.436841239. Section 29- Declining Enrollment proration is .0747879639. Section 56 – ISD Special Ed Millage Equalization proration is .9391965444. Section 53a – Special Education proration is .9419235175.

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