

**JANUARY 13, 2012 REVENUE ESTIMATING CONFERENCE**

A revenue estimating conference was held on January 13, 2012 to update revenue projections for fiscal year (FY) 2011-2012, FY 2012-2013, and to make initial projections for FY 2013-2014. The revenue projection for the state school aid fund for the current fiscal year (2011-2012) has been revised to \$10,763.6 million. That represents an increase of approximately \$138 million from the previous projection last May. The FY 2011-2012 pupil count estimate has been revised upward by 500 pupils from the May 2011 estimate. In FY 2012-2013 the school aid fund revenue is estimated to be \$11,055 million, an \$89.8 million increase from previous projections. The pupil count is projected to decline in FY 2012-2013 by 9,900 pupils to 1,542,900 and by 6,900 in FY 2013-2014 to 1,536,000. For more detailed information on the January revenue estimating conference, go to the House and/or Senate Fiscal Agency website at [www.house.michigan.gov/hfa](http://www.house.michigan.gov/hfa) and [www.senate.michigan.gov/sfa](http://www.senate.michigan.gov/sfa)

**GOVERNOR'S FY2013 STATE BUDGET**

While no one can say for certain at this time what the above numbers mean for the FY 2013 state school aid budget, one indication will come when the Governor unveils his proposed budget for FY 2013 on Thursday, February 9, 2012. Of course, the budget process will then run its full course through the legislative process before enactment in appropriation bills.

**JANUARY PAYMENT INFORMATION**

The January state school aid payment is the fourth regular payment of the 2012 fiscal year. The payment will be electronically transferred to the districts' accounts on Friday, January 20, 2012.

**Taxable value** - The January payment continues to use the beginning 2011 tax roll non-homestead taxable value data, as provided by the 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/taxvalue>. To view your data, click on "Public Access," and then choose your district code and the appropriate tax year from the drop-down menus.

**Pupil membership** – October 2011 pupil count data were used in the calculation of the blended membership count for the January payment used to calculate the **Section 20 Foundation** allowances.

**Updated categoricals** - The following categoricals were updated in the January 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 (Jan Fowler, Early Childhood Education and Family Services, (517) 241-4741, [FowlerJ2@Michigan.gov](mailto:FowlerJ2@Michigan.gov))
- ISD Great Start - Section 32j, (Colleen O'Connor, Early Childhood Education and Family Services, (517) 241-4291, [OconnorC1@Michigan.gov](mailto:OconnorC1@Michigan.gov))
- Court Placed Pupils – Section 24, (Dianne Easterling – Special Education and Early Intervention Services (517) 241-1235, [EasterlingD@michigan.gov](mailto:EasterlingD@michigan.gov))
- *2011 Special Education Costs have been updated for some districts. This will change both the current and 2011 prior year Section 51c amounts due to districts and reported on the January 2012 State Aid Status Reports.* (Dianne Easterling – Special Education and Early Intervention Services (517) 241-1235, [EasterlingD@michigan.gov](mailto:EasterlingD@michigan.gov))

**SENATE BILL 691 ENACTED-AFFECTS PUPIL ACCOUNTING**

Senate Bill 691 was signed by the Governor on December 27, 2011 and enacted as P.A. 322 of 2011. This legislation affects pupil accounting for pupils that are suspended or expelled or otherwise placed in a Strict Discipline Academy as described in Section 1311g of the Revised School Code (MCL380.1311g) provided that the pupil was counted in membership in another district or intermediate district. The act requires the Strict Discipline Academy to report the enrollment information to the Department and to the district or intermediate district in which the pupil is counted in membership. The Department is

then to adjust the membership calculation for the district or intermediate district in which the pupil was counted in membership so that the district's or intermediate district's membership is prorated to allow the district or intermediate district to receive for each school day in which the pupil was enrolled in the district an amount equal to 1/180 of the foundation allowance as calculated under Section 20 of the

State School Aid Act (MCL 388.1620) for the district or intermediate district. The Department is also then to include in the calculation of state school aid for the strict discipline academy an amount equal

to 1/180 of the per pupil payment as calculated under Section 20 for each day that the pupil is enrolled in the strict discipline academy. Further guidance on how to report this data to the Department will be forthcoming. Questions concerning this item may be directed to Brian Ciloski, Office of State Aid and School Finance, (517) 373-3352 or [CiloskiB@Michigan.gov](mailto:CiloskiB@Michigan.gov).

### **CHANGE IN KINDERGARTEN REQUIREMENT FOR FY 2012-13**

As districts begin planning for the 2012-13 academic year, please remember that Section 6(4)(r), which pertains to the calculation of the FTE for kindergarten pupils, will require 1,098 hours of instruction to earn a full (1.0) FTE in 2013. When transitioning from a half-day program, administrators should consider reviewing 'IS IT KINDERGARTEN OR CHILD CARE?', which was produced by our department to offer clarification regarding extended-day kindergarten programs. [http://www.mi.gov/documents/kindvsdaycare\\_65507\\_7.pdf](http://www.mi.gov/documents/kindvsdaycare_65507_7.pdf)

### **REPORTING ON STATUS OF SERVICE CONSOLIDATION PLANS**

Language in Section 11d of the State School Aid Act that was in effect for the 2009-10 and 2010-11 fiscal years allowed any district that entered into an agreement to develop a Service Consolidation Plan the flexibility in recording the 2009-10 and/or 2010-11 Section 11d reduction in state school aid revenue. Language in Section 11d of the State School Aid Act in effect for the 2011-12 fiscal year (388.1611d(3)) further requires the districts which entered into a Service Consolidation Plan agreement to now report on the status of the plan. The guidance can be found at: [http://www.michigan.gov/documents/mde/SCP\\_Status\\_Report\\_373501\\_7.pdf](http://www.michigan.gov/documents/mde/SCP_Status_Report_373501_7.pdf)

With questions regarding this item, contact Glenda Rader, State Aid and School Finance, (517) 335-0524, or e-mail: [RaderG@Michigan.gov](mailto:RaderG@Michigan.gov).

### **FINANCIAL INFORMATION DATABASE (FID) CORRECTIONS**

The analysis of the FY 2011 Financial Information Database submissions is close to being completed by Office of State Aid and School Finance staff. Correspondence related to that analysis will be e-mailed to school districts soon. The information will be e-mailed to the individual who submitted the FID on behalf of the district. The correspondence will request that the individual review the data in question and either correct the FID or contact the Office of State Aid and School Finance to explain the discrepancies. Your cooperation in "cleaning up" the FY 2011 FID data is very much appreciated. With questions regarding this item, contact Glenda Rader, State Aid and School Finance, (517) 335-0524, or e-mail: [RaderG@Michigan.gov](mailto:RaderG@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 Section 25c language requires the Department to deduct the amount of the bill that remains unpaid after a certain date 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. The Department will process the school aid adjustments in the February 2012 payment for any unpaid pupil transfer bills for pupils that transferred during the 2009-2010 school year. 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).

### **IMPORTANT DATES TO REMEMBER**

- **February 1** is the due date for districts and ISDs to report to the local health department the **immunization status** of each new pupil in grades K-12 who enrolled in the district or ISD for the first time during the immediately preceding calendar year and all 6<sup>th</sup> graders, pursuant to State School Aid Act Section 167. (Patty Lawless, (517) 373-1122, [LawlessP@Michigan.gov](mailto:LawlessP@Michigan.gov))
- **February 8** is the **supplemental count day** for all districts, ISDs, and PSAs and the 3<sup>rd</sup> quarterly count date for adult education participants.

### **GENERAL INFORMATION**

- The proration factor for Section 31a - At Risk funding is \$294.1084911361 per pupil.
- The proration factor for Section 62 – Voc. Ed. Millage Equalization is .946851904.
- The proration factor for Section 56 – Spec. Ed. Millage Equalization is .8961135634

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