

# STATE SCHOOL AID UPDATE

Michigan Department of Education



JANUARY 2015

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## **JANUARY 16, 2015 REVENUE ESTIMATING CONFERENCE**

A revenue estimating conference was held on January 16, 2015 to update revenue projections for fiscal year (FY) 2015, FY 2016, and to make initial projections for FY 2017. The results of that conference will not be known in time for this UPDATE, but will have an effect on school aid for those years. For 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) following the conference.

## **GOVERNOR'S FY2016 STATE BUDGET**

While no one can say for certain at this time what the revenue consensus from the above referenced conference may mean for future state school aid budgets, one indication will come when the Governor unveils his proposed budget for FY 2016 in February. Of course, the budget cycle will then run its full course through the legislative process before enactment in appropriation bills. Also, the Governor's State of the State address is scheduled for January 20, 2015 which can always include education news.

## **JANUARY PAYMENT INFORMATION**

The January state school aid payment is the fourth regular payment of the 2015 fiscal year. The payment will be electronically transferred to the districts' accounts on Tuesday, January 20, 2015.

**Taxable value** - The January payment continues to use the beginning 2014 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:

<https://mdoe.state.mi.us/TaxableValue/login.aspx?mode=access&ReturnUrl=%2fTaxableValue%2f>

To view your data, click on "Public Access," and then choose your district code and the appropriate tax year from the drop-down menus.

**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 Readiness Program - Section 32d, (Pat Sargent, Office of Great Start, (517) 241-4741, [SargentP@Michigan.gov](mailto:SargentP@Michigan.gov))
- Court Placed Children - Section 24, (Dianne Easterling - Special Education, (517) 335-0459, [EasterlingD@Michigan.gov](mailto:EasterlingD@Michigan.gov))
- First Robotics - Section 99h, (Ann Marie Smith - Education Improvement and Innovation, (517) 335-2775, [SmithA24@Michigan.gov](mailto:SmithA24@Michigan.gov))

## **PERSONAL PROPERTY TAX PAYMENTS**

Pursuant to 2013 PA 153, a new "small taxpayer" personal property tax exemption is in effect for commercial and industrial personal property. Approximately twenty school districts will receive a payment on January 19, 2015 pursuant to 2014 PA 86 to reimburse local and intermediate school districts for revenue lost due to the "small taxpayer" exemption. The funds used to reimburse school districts are not appropriated in the State School Aid Act. However, the payment advice for these funds will be reflected on the January 2015 State School Aid Financial Status Report. The advice appears in the section labeled "Current Year Allowances" on a line labeled "\* Treasury PPT Reimbursement" as well as in the section labeled "Supplemental Payments" with a note describing the purpose of the payment. Questions related to this payment should be directed to Andrew Lockwood, Treasury, Office of Revenue and Tax Analysis, (517) 373-2863 or [LockwoodA@Michigan.gov](mailto:LockwoodA@Michigan.gov).

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

The analysis of the FY 2014 Financial Information Database submissions is close to being completed by Office of State Aid and School Finance staff. For districts with reporting discrepancies, related correspondence has been e-mailed to the individual who submitted the FID on behalf of the district. The correspondence requests 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 2014 FID data is very much appreciated. Questions regarding this item and the Financial Information Database in general should be directed to Christopher May (517) 335-1263, or email: [MayC@Michigan.gov](mailto:MayC@Michigan.gov).

## **2014-15 CONSOLIDATION OF OPERATIONS OR SERVICES GRANT ANNOUNCEMENT**

The Michigan Department of Education is pleased to announce a new round of Consolidation of Operations or Services Grants for FY 2015. Section 22g of 2014 PA 196 allocates \$2 million to support the FY 2015 Consolidation of Operations or Services Grant program.

These competitive grants will be awarded to districts and intermediate districts for the reimbursement of transition costs associated with the complete consolidation of districts or intermediate districts, the consolidation of operations or services between two or more districts, intermediate districts, or other local units of government, or the consolidation or sharing of technology and data operations or services between 50 or more districts or 5 or more intermediate districts. Additional priority will also be given to projects involving either a comprehensive, research-based academic early warning indicator and dropout prevention solution or a data-driven system for identifying early reading challenges and establishing individual reading development plans for every student by the end of grade 3.

The grant applications are currently in MEGS+ and applications will be accepted through February 27, 2015. Award determinations and announcements are expected to be made in April 2015.

A copy of the grant award notification that was sent out on January 8, 2015 can be accessed at [http://www.michigan.gov/documents/mde/22g\\_Grant\\_478430\\_7.pdf](http://www.michigan.gov/documents/mde/22g_Grant_478430_7.pdf).

Questions regarding this grant program may be directed to Christopher May at [MayC@Michigan.gov](mailto:MayC@Michigan.gov) or 517-335-1263.

## **MICHIGAN PUBLIC SCHOOL ACCOUNTING CHANGE NOTICE #23**

An update to the *Michigan Public School Accounting Manual* was distributed on January 8, 2015. The changes listed in the notice are to be implemented for the current fiscal year. These changes have been incorporated into the manual available on the Department's website at [http://www.michigan.gov/mde/0,1607,7-140-6530\\_6605-21321--,00.html](http://www.michigan.gov/mde/0,1607,7-140-6530_6605-21321--,00.html). Questions related to the change notice should be directed to Christopher May, Office of State Aid and School Finance, at (517) 335-1263 or by e-mail at [MayC@michigan.gov](mailto:MayC@michigan.gov).

## **SECTION 101 – SCHOOL DAY CANCELATIONS AND FORGIVEN TIME**

Many districts have been impacted by inclement winter weather this year. Section 101 of the State School Aid Act (MCL 388.1701) grants districts six (6) days and/or the equivalent number of hours to use toward cancelations that occur due to conditions beyond the control of school authorities, commonly referred to as "forgiven time" or "snow days." If the district has exhausted the 6 days and/or hours prior to April 2, it is the district's responsibility to reschedule any additional lost time prior to April 2 in order to satisfy the day and hour requirements and avoid a state aid adjustment. If a district has exhausted their initial forgiven time, and if additional cancelations occur after April 1, the district can then apply to the State Superintendent for up to six (6) additional days and/or the equivalent number of hours of forgiven time. When evaluating the amount of time to be rescheduled, districts should also take into consideration any day where attendance fell below 75% to avoid an additional state aid adjustment. Questions regarding this item should be directed to Brian Ciloski at [CiloskiB@Michigan.gov](mailto:CiloskiB@Michigan.gov) or 517-373-3352.

## **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 11** 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 the Section 31a - At Risk funds is \$315.1105536976 per pupil.
- The proration factor for the Section 22c Equity Payment funds is .9993355936.
- The proration factor for the Section 22j Performance Based funds is .9965971493.
- The Headlee Obligation for Data Collection funds are being paid at a rate of \$24.9569258978 per pupil.

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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)