

### **SECTION 25D PUPIL FOUNDATION ADJUSTMENTS**

Section 25d of the State School Aid Act was amended by PA 465 of 2012 to allow Strict Discipline Academies to receive a prorated share of a foundation grant for pupils who transfer to the strict discipline academy after the count day, provided they were counted by a district or public school academy on the count day. The foundation funds for the district that counted the pupil on the count day are to be adjusted downward correspondingly. These adjustments appear on the July State Aid Financial Status Reports and are labeled "25 Pupil Transfer Adjustment" in the "Current Year Allowance" section. **Questions on the adjustments should first be directed to the Strict Discipline Academy to which your pupil transferred.**

Districts will account for the Section 25d funds the same way they report the state portion of the foundation grant. The major class code is "311-State Unrestricted Received through the State" with a suffix "0010-State Aid Foundation." The strict discipline academy will report a revenue, the districts that lost the pupil to the strict discipline academy will reduce revenue by the amount of the Section 25d adjustment.

### **2012-13 DAYS AND CLOCK HOURS REPORTING DEADLINE IS AUGUST 1, 2013**

In order to satisfy the legislative requirement found in Section 101(3) of the State School Aid Act (MCL 388.1701), intermediate districts must certify and submit to the Department a days and clock hours report, formerly known as the Days and Clock Hours of Instruction Report (DS-4168), for the intermediate and local districts by August 1, 2013. The requirement applies to all local school districts and public school academies. It also applies to intermediate school districts that operated an alternative education program or claimed FTE for a Special Education Early Childhood program during the 2012-13 school year.

The user guide to assist districts in using the application can be viewed by clicking [here](#). Further questions regarding the application can be addressed by contacting CEPI Customer Support at [CEPI@michigan.gov](mailto:CEPI@michigan.gov). Districts may also contact Brian Ciloski at [CiloskiB@michigan.gov](mailto:CiloskiB@michigan.gov) for assistance with reporting standards, conventions, and legislative requirement questions regarding this report.

### **SECTION 147C PAYMENTS**

The July payment includes 90.9% (10/11<sup>th</sup>) of the 2012-13 Section 147c MPSERS UAAL Rate Stabilization funds. The remaining 9.1% (1/11<sup>th</sup>) will be paid in the August 2013 payment. These funds represent a funding source to assist districts in paying the districts' state and local retirement obligation. Office of Retirement Services (ORS) will be invoicing each recipient district for the exact amount paid under this section. The district will be expected to remit that amount back to them within the month.

Accounting guidance related to accounting for the Section 147c revenues and expenditures is available on our website by clicking [here](#). Questions related to the guidance may be addressed to Glenda Rader at [raderg@michigan.gov](mailto:raderg@michigan.gov) or by phone at (517) 335-0524.

### **SID AND REP REPORTING**

Section 19(5) of the State School Aid Act requires local districts, intermediate districts, and public school academies to submit their Registry of Educational Personnel (REP) data to the Center for Educational Performance and Information (CEPI) by June 30 each year. Section 19(6) of the State School Aid Act requires local districts, intermediate districts, and public school academies to submit their School Infrastructure Database (SID) information to CEPI by June 30. Section 19(7) of the State School Aid Act requires the Department to withhold 5% of the total funds for which the local district, intermediate district, or public school academy qualifies under the act for non-compliance with either of these reporting requirements. State aid funds are being withheld from a total of 10 entities that did not comply with the SID and/or the REP reporting requirement. The withheld amount will appear on the State Aid Financial Status Report as a negative under the section labeled "Current Year Allowances" on a line labeled "SID Deduct" or "REP Deduct." CEPI reopened the two databases on July 12, 2013, to allow inputting of the data through July 16, 2013. The withheld funds will be released in the next school aid payment following compliance. Questions regarding the submission of SID/REP data should be directed to CEPI customer support via e-mail at [CEPI@Michigan.gov](mailto:CEPI@Michigan.gov) or phone at (517) 335-0505, option 3.

## **BUDGET TRANSPARENCY UPDATE**

The 2013-2014 State School Aid Act, PA 60 of 2013 (House Bill 4228) amends the Best Practice requirements for districts and intermediate districts. Following are some of the highlights of the legislation.

### **Best Practice Requirements for Districts and ISDs**

- A link to the MI School Data portal must be provided in at least one of two areas:
  - On the district's Main Home Page, directly under the Budget Transparency Icon
  - At the bottom of the district's Budget and Salary/Compensation Transparency web page
- Revenue and expenditure projections for 2014-2015 must be provided under the "Board Approved Budget" section of the transparency page
  - This projection should follow the same format as your regular budget and meet the minimum level of detail as defined in the Michigan Public School Accounting Manual (including the beginning and ending General Fund balances)
  - If you contract with Munetrix or Masadda for these projections, you may alternatively provide a link to the website in the "Board Approved Budget" section
- For those districts with debt service obligations, the required Best Practice information can be found in your annual audit documents
  - The district may meet the debt obligation reporting requirement by including a footnote in the district's annual audit (see updated MDE guidance for example)

In addition to the above, for **ISDs** that develop a service consolidation plan as part of meeting the Best Practice incentives, the plan must be made available on your website. At the bottom of your Budget Transparency page, please provide a link to the plan.

Updated MDE Budget Transparency Guidance can be viewed by clicking [here](#). For questions regarding these guidelines, please contact Chad Urchike at [urchikec1@michigan.gov](mailto:urchikec1@michigan.gov) or (517) 335-1261.

### **SECTION 31A AT-RISK PROGRAM REPORTS**

Local districts and public school academies receiving FY 2013 funds under Section 31a At-Risk were required to submit the FY 2013 Section 31a Program Report to the Department by July 15, 2013. **For local school districts and public school academies that missed the July 15, 2013 due date, the Section 31a program report must be submitted as soon as possible but no later than July 31, 2013.** The report form is available in the Michigan Electronic Grants System Plus (MEGS+) at <https://mdoe.state.mi.us/MEGSPLUS/>. If the report is not submitted by July 31, 2013, an amount equal to the district's Section 31a August installment will be withheld from the August state aid payment as required by language in Section 31a of the State School Aid Act. These funds will be forfeited if the report is not received by September 30, 2013. If you have questions regarding the Section 31a program and reporting requirements, please contact Lee Craft, Section 31a Consultant, Office of Field Services, at (517) 373-6066. If you have MEGS+ related questions contact Judy Thelen, Analyst, Office of Field Services at (517) 335-1266 or e-mail at [ThelenJ8@Michigan.gov](mailto:ThelenJ8@Michigan.gov).

### **TAXABLE VALUE SYSTEM UPDATES**

The online taxable valuation collection system has been made available for county treasurers to input tax year 2013 values to be used when calculating FY 2014 State School Aid. These values are due by September 1, 2013. Please encourage your treasurer to report these values if they have not already done so. Taxable Value data can be viewed by clicking [here](#). To view your data, click on "Public Access" and then choose your district code and the applicable tax year from the drop down menu. Questions should be directed to Phil Boone, Office of State Aid and School Finance, at (517) 335-4059 or e-mail at [BooneP2@Michigan.gov](mailto:BooneP2@Michigan.gov).

### **GENERAL INFORMATION**

- **Proration factors:** Section 31a – At Risk funding per pupil proration is \$319.2479756209.
- Section 152a Headlee Obligation for Data Collection funds are being paid at \$24.5294471558 per pupil.
- The Supplemental count (February 2013) ISD audited FTE values are due to CEPI by July 31, 2013.
- July 24, 2013 is the first Adult Education participant count date for the school year 2013-2014. These counts should be reported to CEPI with the October 2013 FTE data.
- October 2, 2013, the first Wednesday in October, is the **Pupil Membership Count Date** for FY 2013-2014.

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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 and School Finance, MDE**, phone: **(517) 335-0521**, fax: **(517) 241-0196**, e-mail: [HanrahanD@Michigan.gov](mailto:HanrahanD@Michigan.gov)