

**STATE SCHOOL AID DATA UPDATED FOR JULY**

The July state school aid payment is the 10<sup>th</sup> regular payment of the year and reflects 90.9% of the year's allocation for Sections 22a, 51c, and 22b as well as for most categoricals. Prior year adjustments are made at 100% in a single payment. The payment will post at the districts' banks on Monday, July 21, 2014.

**Taxable value** figures used to calculate the July payment represent the tax year 2013 values provided by county treasurers via the web-based taxable valuation collection process. Any revisions to taxable values received prior to July 9, 2014 were incorporated into the payment calculation.

The **membership blend** used to calculate the July payment incorporated all Michigan Student Data System (MSDS) pupil (FTE) counts released to the Department as of June 30, 2014. Audited values from the February 2014 count were used for those districts whose audited counts were reported by that date.

**2013-14 CONSOLIDATION OF OPERATIONS OR SERVICES GRANT ANNOUNCEMENT**

As a result of a legislative change in PA 116 of 2014, funds originally appropriated under Section 22g of PA 60 of 2013, strictly for transition costs associated with the complete consolidation of districts or intermediate districts are now also available to districts and intermediate districts as reimbursement of transition costs associated with the consolidation of operations or services between two or more districts, intermediate districts, or other local units of government. Since a portion of the appropriation has already been awarded under the original legislation, an amount of approximately \$4,300,000 remains for additional consolidation projects. Applications will be accepted in the MEGS+ system through August 1, 2014. Please contact Christopher May at (517) 335-1263 or [MayC@michigan.gov](mailto:MayC@michigan.gov) if you have any questions regarding this grant program or application process.

**BEST PRACTICE RESIDUAL TO BE INCLUDED IN AUGUST PAYMENT**

Language in the Best Practice Section (22f) of the State School Aid Act states that if the Department determines that funds remain after allocating \$52 per pupil, the remaining unexpended amount is to be allocated on an equal per pupil basis to districts that meet the Best Practice requirements and that have a FY 2014 foundation less than \$8,049. The remaining Section 22f funds will be allocated in the August payment at an ESTIMATED rate of \$2.8492321770 per pupil. This amount is provided now in July for budgeting purposes and may deviate slightly when it is paid out in August due to fluctuations in pupil counts. For questions related to these funds please contact John A. Hayner, Office of State Aid and School Finance, at (517) 241-0495 or by e-mail at [HaynerJ1@Michigan.gov](mailto:HaynerJ1@Michigan.gov).

**FINANCIAL INDEPENDENCE TEAM LEGISLATION**

A Senate Appropriations Committee hearing was held July 16, 2014 related to Senate Bills 951, 952, 954, 955, 957 and 978. These bills expand the authority of the Treasury Department and Michigan Department of Education when working with school districts (Locals, ISDs, and PSAs) that trigger early warning indicators of financial stress. These bills can be viewed in their entirety at [www.michiganlegislature.org](http://www.michiganlegislature.org). The FY 2015 appropriation bills for the Treasury Department and Michigan Department of Education include funds to provide the staffing and other services necessary to implement the strategies in these Senate Bills.

**2013-14 DAYS AND CLOCK HOURS REPORTING DEADLINE IS AUGUST 1, 2014**

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, 2014**. 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 2013-14 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 June 2014 State School Aid payment reflected a change in the annual amount allocated to each district under Section 147c. That change was due to an additional \$2.2 million appropriated under PA 116 of 2014 and an updated file from the Office of Retirement Services (ORS) that included each district's 2013 ORS reported salaries. The July payment includes 90.9% (10/11<sup>ths</sup>) of the 2013-14 Section 147c MPSERS UAAL Rate Stabilization funds. The remaining 9.1% (1/11<sup>th</sup>) will be paid in the August 2014 payment. These funds represent a funding source to assist districts in paying the districts' state and local retirement obligation. 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 for MPSERS UAAL Rate Stabilization Guidance](#) is available on our website. 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 several 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 11, 2014, to allow inputting of the data through July 15, 2014. 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.

## **SECTION 31A AT-RISK PROGRAM REPORTS DUE JULY 15, 2014**

Local districts and public school academies receiving FY 2014 funds under Section 31a At-Risk are required to submit the FY 2014 Section 31a Program Report to the Department by **July 15, 2014**. 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 15, an amount equal to the district's Section 31a August installment will be withheld from the August 2014 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, 2014. 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, please contact Judy Thelen, Analyst, Office of Field Services, at (517) 335-1266 or [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 2014 values to be used when calculating FY 2014 State School Aid. These values are due by September 1, 2014. 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**

- The proration factor for the Section 31a – At Risk funding is \$311.8379935168 per pupil.
- The proration factor for the Section 22j Performance Based funding is .9987241622.
- Section 152a Headlee Obligation for Data Collection funds are being paid at \$24.7428979767 per pupil.
- The Supplemental count (February 2014) ISD audited FTE values are due to CEPI by July 30, 2014.
- July 23, 2014 is the first Adult Education participant count date for the school year 2014-2015. These counts should be reported to CEPI with the October 2014 FTE data.
- October 1, 2014, the first Wednesday in October, is the **Pupil Membership Count Date** for FY 2014-2015.

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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)