

STATE SCHOOL AID DATA UPDATED FOR MARCH

The March state school aid payment is the 6th regular payment of the year and reflects 54.54% 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 Friday, March 20, 2009.

Taxable value figures used to calculate the March payment represent the tax year 2008 values provided by the county treasurers via the web-based taxable valuation collection process. Any revisions to taxable values received prior to February 28, 2009 were incorporated into the payment calculation. 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.

Now that the taxable valuation collection process is web-based, county treasurers can make revisions to the reported values at any time. At a minimum, we request that they revise the values on the same schedule that values were reported to the Department under the paper collection process (DS-4410). That means that county treasurers should report, by May 1, 2009, the taxable valuations as of the date that they settled with the local unit treasurers. Letters to the treasurers requesting that they report those values, if they haven't already reported, will be sent to the treasurers soon. The settlement numbers will have value changes from the July and December Boards of Review as well as any other changes since the fourth Monday in May 2008. Districts may want to contact their county treasurers as well to encourage them to report the revised values.

The **membership blend** used to calculate the March payment incorporated all Single Record Student Database (SRSD) pupil (FTE) counts released to the Department as of February 28, 2009, the date the Department downloaded the pupil counts from the Center for Educational Performance and Information. The membership blend for most districts and public school academies (PSAs) for FY 2008-2009 is 25% of the February 13, 2008 supplemental count and 75% of the September 24, 2008 pupil count. All of the February 13, 2008 count data are audited. Most of the September 24, 2008 count data are audited as well as the due date for the September 24, 2008 count audits was March 11, 2008.

ADULT EDUCATION ADJUSTMENTS FOR FY 2007-2008

Districts that operated an adult education program in FY 2007-2008 may see two prior year adjustments for the FY 2007-2008 Section 107 Adult Education program on the March 2009 State School Aid Financial Status Report. As is described in Section 107(10)(b) of the State School Aid Act, 10% of a district's adult education allocation is based upon program participants meeting course objectives and/or completion. Adjustments for participants that did not meet course objectives are reflected on the March 2009 State School Aid Financial Status Report in the Section labeled "Prior Year Adjustments" on the line labeled "107 2008 Adult Ed Compliance." Those amounts are reductions to the district's FY 2007-2008 state school aid and are based upon information provided on the AE-4859 Section 107 Performance Report. Those recovered funds have been redistributed to districts that reported participant FTE counts in excess of their caps. FTEs above the cap are being paid out at \$338.75 per FTE. Those amounts are also reflected in the "Prior Year Adjustments" Section on the line labeled "107 2008 Adult Education Participants." Questions regarding the calculation of the adjustment may be directed to Joellen Wonsey, Office of State Aid and School Finance, (517) 373-3352, or WonseyJ@michigan.gov. Questions regarding the AE-4859 Report may be directed to Sandy Thelen, Department of Energy, Labor and Economic Growth, at (517) 373-3395 or e-mail ThelenS1@Michigan.gov.

FY 2007-2008 SCHOOL AID SHORT TERM ADJUSTMENTS IN APRIL PAYMENT

Some districts have incurred school aid adjustments for operating less than 1,098 instructional hours in FY 2008 as reported on form DS-4168, Report of Days and Clock Hours of Instruction. These adjustments appear on the March 2009 State School Aid Financial Status Report in the "Prior Year Adjustment" section on a line labeled "2008 Short Term." Pursuant to language in Section 101 of the State School Aid Act, a district failing to comply with the required minimum hours of instruction shall forfeit from its total state aid allocation an amount determined by applying "a ratio of the number of hours the district was in noncompliance in relation to the required minimum." The ratio is applied against the district's total adjusted state aid (FY 2008 in this case) minus any Durant and Adult Education Funds. For example, a district short six (6) hours, with adjusted state aid of \$1,000,000, Adult Education Funds of \$100,000 and Durant funds of \$90,000 would incur an adjustment of \$4,426 as follows:

$$((\$1,000,000 - \$100,000 - \$90,000) \times (6/1,098)) = \$4,426$$

The adjustment would be prorated accordingly if the noncompliance is for only part of the district such as one grade level or one building. If you have any questions or concerns related to these adjustments, please contact Joellen Wonsey, (517) 373-3352, or WonseyJ@Michigan.gov.

INDIRECT COST INFORMATION

The Office of State Aid and School Finance will soon be posting the preliminary FY 2009-2010 Indirect Cost Rates on our website at http://www.michigan.gov/mde/0,1607,7-140-6530_6605-118785--,00.html. Once they are available on the website, we will send an e-mail related to the process districts should use to appropriately adjust those rates. The e-mail will be sent to both superintendents and business managers of each district. Questions related to the process should be addressed to Phil Boone at boonep2@michigan.gov or (517) 335-4059.

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 April 2009 payment for any unpaid pupil transfer bills for pupils that transferred during FY 2006-2007. Questions concerning this item may be directed to Dan Hanrahan, Office of State Aid and School Finance, (517) 335-0521 or HanrahanD@Michigan.gov.

GENERAL INFORMATION

- The 4th quarterly count date for **Adult Education** program participants is the 4th Wednesday in April, **April 22, 2009**.
- **Single Record Student Database files** for the Supplemental count are due to the **ISD by March 18** and to **CEPI by April 1, 2009**. Trina Anderson, CEPI, (517) 241-3432, AndersonT1@Michigan.gov.
- The **DS-4168B Planned Days and Clock Hours Report** is due April 15, 2009. The report is available on line at www.Michigan.gov/mde. Click on "keywords" then "State Aid Forms." Joellen Wonsey, (517) 373-3352 or WonseyJ@Michigan.gov.
- The per pupil proration factor for the Section 31a – At Risk funding is \$241.094431201.
- The proration factor for the Section 29 – Declining Enrollment funding is .0832299062.

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