

MARCH PAYMENT INFORMATION

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

Taxable value - The March 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 unaudited pupil count data were used in the calculation of the blended membership count for the March payment used to calculate the **Section 20 Foundation** allowances.

Updated categoricals - The following categoricals were updated in the March 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 (Blanche Deren, Early Childhood Education and Family Services, (517) 241-4289, DerenB@Michigan.gov)
- ISD Great Start - Section 32j, (Colleen O'Connor, Early Childhood Education and Family Services, (517) 241-4291, OconnorC1@Michigan.gov)
- Renaissance Zone – Section 26a, (Howard Heideman – Treasury, Office of Revenue and Tax Analysis, (517) 373-9002, HeidemanH@Michigan.gov)
- Vocational Education Administration – Section 61a, (Joanne Mahony, (517) 335-0405. MahonyJ@Michigan.gov)

STATE SCHOOL AID SUPPLEMENTAL ENACTED

House Bill 4445, a fiscal year (FY) 2012 state school aid supplemental, was signed by the Governor on February 24, 2012 and enacted as P.A 29 of 2012. In addition to adjusting current year school aid appropriations due to revised taxable valuation estimates and projected pupil counts agreed to at the January Consensus Revenue Estimating Conference, P.A. 29 appropriates \$4 million in a **new Section 22h for Distressed District Student Transition Grants** (see related item below), a **new Section 32g for Early Learning Assessment** funding and a **new Section 11q** that appropriates \$4.69 million in additional **Federal Education Jobs** funding (see related item below).

DISTRESSED DISTRICT STUDENT TRANSITION GRANTS

As mentioned above, P.A. 29 of 2012 (a FY 2012 School Aid Supplemental) allocates \$4 million for FY 2012 Distressed District Transition Grants in an amount equal to \$4,000 for each qualifying pupil enrolled and in attendance on March 22, 2012 as reported to the Center for Educational Performance and Information by not later than May 2, 2012. A qualifying pupil is a pupil who was counted by the Highland Park City Schools on the FY 2012 Supplemental Count Day (February 8, 2012) and in another district on March 22. In addition, a district or intermediate district can qualify for a Distressed District Transition Grant if the district or intermediate district is a party to a Memorandum of Agreement with the Highland Park City Schools which makes the district or intermediate district the managing district of the Highland Park Public Schools. More detailed information regarding the reporting of qualified pupils will be forthcoming from the Department. It is important to note that the Distressed District Transition Grants are not considered foundation dollars, but rather a separate categorical program. As such, the district's blended pupil count is not affected by the number of qualified pupils enrolled and educated under Section 22h. Questions related to this item can be addressed to Dan Hanrahan at HanrahanD@Michigan.gov or (517) 335-0521.

FEDERAL EDUCATION JOBS FUNDING

As mentioned above, P.A. 29 of 2012 (a FY 2012 School Aid Supplemental) allocates \$4.69 million in Federal Education Jobs Funds. These funds have been added to the \$17.5 million of unused Education Jobs that were allocated to but unused by several public school academies. The Department has posted estimated allocations which total \$22.2 million in the Grants section of its website.

The funds will be available in the Department's Cash Management System (CMS) in early April. They can be accessed under grant number 112545, project number 1112. The funds are to be used for the same purpose as the original Education Jobs grant, with a focus on salaries and benefits of school-level employees. The districts will need to complete a Final Expenditure Report (FER) for the new allocation as well as complete quarterly 1512 reporting until the FER is filed. Questions can be referred to Alyssa Sagolla at SagollaA@Michigan.gov or (517) 335-9618.

FY 2011 SCHOOL AID SHORT TERM ADJUSTMENTS IN MARCH PAYMENT

Some districts have incurred school aid adjustments for operating less than 1,098 instructional hours in FY 2011 as reported on form DS-4168, Report of Days and Clock Hours of Instruction. These adjustments appear on the March 2012 State School Aid Financial Status Report in the "Prior Year Adjustment" section on a line labeled "2011 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 2011 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 Brian Ciloski, (517) 373-3352, or CiloskiB@Michigan.gov.

DEFICIT FUND BALANCE INFORMATION

Districts that budget a negative fund balance either in the current year or in the upcoming FY 2013 should notify MDE as soon as possible. Please note that MDE staff will review budget information from all of the districts' websites after July 1, 2012. The Department will notify those districts found to have adopted deficit budgets that a Deficit Elimination Plan (DEP), or revised DEP for those districts already operating under an approved DEP is to be submitted to the Department within 30 days of notification from the Department or 30 days after the state school aid budget is passed, whichever is later. The standard DEP spreadsheet, MDE requirements, and a list of districts currently operating under an approved DEP are available on our website at: http://www.michigan.gov/mde/0,1607,7-140-6530_6605-106599--,00.html. With questions related to this item, contact Jeff Kolb, State Aid and School Finance, (517) 373-1908 or email: KolbJ2@Michigan.gov.

INDIRECT COST INFORMATION

The Office of State Aid and School Finance will soon be posting the preliminary FY 2013 Indirect Cost Rates on our website at http://www.michigan.gov/mde/0,1607,7-140-6530_6605-118785--,00.html. Once the rates are available on the website, we will send an e-mail related to the process that 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.

IMPORTANT DATES TO REMEMBER

- The 4th quarterly count date for **Adult Education** program participants is the 4th Wednesday in April, **April 25, 2012**.
- March 21 is the deadline for ISDs to submit to the Center for Educational Performance and Information (CEPI) the Audited FTE Counts for the October 5, 2011 pupil membership count day.
- February 8 was the FY 2012 Supplemental count date. The Michigan Student Data System (MSDS) records for the Supplemental count date were due to the CEPI by March 14, 2012 and are to be certified by March 28, 2012.
- The **DS-4168-B 2011-2012 District Report of Planned Days and Clock Hours of Pupil Instruction** is due April 16, 2012. The report is available on line at http://www.michigan.gov/documents/mde/DS-4168-B_08_227608_7.doc.

GENERAL INFORMATION

- The proration factor for Section 31a - At Risk funding is \$294.1084911361 per pupil.
- The proration factor for Section 62 – Vocational Ed Millage Equalization is .9455108396.
- The proration factor for Section 56 – Spec. Ed. Millage Equalization is .8898039277.

*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