

STATE SCHOOL AID UPDATE

Michigan Department of Education



March 2014

Vol. 22 No. 6

MARCH PAYMENT INFORMATION

The March state school aid payment is the sixth regular payment of the 2014 fiscal year. The payment will be electronically transferred to the districts' accounts on Thursday, March 20, 2014.

Taxable value - The March payment continues to use the beginning 2013 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/>. 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 2013 pupil count data (audited for most districts) and unaudited February 2014 pupil counts 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:

- School for Deaf Tuition Deducts - Section 51a (Dianne Easterling, Special Education, (517) 241-1235, EasterlingD@Michigan.gov)
- Technology Infrastructure Improvement Grants - Section 22i, (Ann Marie Smith, Education Improvement and Innovation (517) 335-2775, SmithA24@Michigan.gov)
- Special Education - Section 54 (Dianne Easterling, Special Education, (517) 241-1235, EasterlingD@Michigan.gov)
- Great Start Readiness - Section 32d, (Jan Fowler, Early Childhood, (517) 241-4741, FowlerJ2@Michigan.gov)

FY 2014 SECTION 20G FUNDS INCLUDED IN MARCH PAYMENT

A new **State School Aid Act Section 20g** for FY 2014 allocates \$2.2 million for grants to districts that received property from the former Inkster or Buena Vista School District. The amount allocated to each receiving district is an amount equal to the product of the number of membership pupils enrolled in the district who were previously enrolled in Inkster or Buena Vista or who reside in either of those districts and are entering kindergarten, times 10% of the receiving district's per pupil foundation. The funds are included in the March payment and appear on the State School Aid Financial Status Report in the "Current Year Allowance" section on a line labeled "20g District Dissolution Transition Costs." With questions related to this item, contact Phil Boone, State Aid and School Finance, (517) 335-4059 or email: BooneP2@Michigan.gov.

FY 2013 SCHOOL AID SHORT TERM ADJUSTMENTS

The Department has completed its review of the 2012-2013 Days and Hours of Instruction Reports. As a result, some districts will be receiving school aid adjustments for that year based on not meeting the required number of days or hours of instruction. Letters explaining the adjustments will be mailed the week of March 17, 2014. The adjustments are scheduled to be processed in the April 2014 state school aid payment. They will appear on the April State Aid Financial Status Report in the "Prior Year Adjustment" section on a line labeled "2013 Short Term." If you have any questions or concerns related to these adjustments, please contact Brian Ciloski, (517) 373-3352, or CiloskiB@Michigan.gov.

STATE SCHOOL AID SUPPLEMENTAL PASSED BY HOUSE

House Bill 4295, a fiscal year (FY) 2014 state school aid supplemental, was passed by the House on March 5, 2014. 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, HB 4295 amends certain other sections of the State School Aid Act. Some highlights of those changes follow.

- An amendment to **Section 20g** would allocate \$5 million for reimbursement to eligible districts for costs incurred by a district related to, but not limited to, the cost of maintenance, utilities, security, or insurance associated with, or the demolition of, buildings transferred from a district dissolved under Section 12 of the Revised School Code, 1976 PA 451, MCL 380.12. The reimbursement for costs associated with property from a single dissolved district may not exceed \$2.5 million.

- HB 4295 would add a **new Section 31b** that would allocate \$2 million for grants to At-Risk districts for implementing a year-round instructional program that would begin in 2014-15. These competitive grants would be given to districts with lower fund balances as a percent of revenues and to districts that operate at least one (1) school that has been identified as either a priority school or a focus school. Funding would be required to include both rural and urban schools. A district's grant could not exceed \$750,000. As passed by the House, these funds would be used for necessary modifications to instructional facilities, modifications to current contracts, and other nonrecurring costs of preparing the program.
- HB 4295 would allocate \$3.9 million of general fund money for a **new Section 64d** for a contract with a single provider to provide information technology education opportunities to high school, career academy and community college students. This education would provide the skills and competencies that are essential for the workplace and that are requested by employers.
- HB 4295 would allocate \$250,000 for a **new Section 94** to increase the number of pupils who participate and succeed in advanced placement and international baccalaureate programs.
- HB 4295 would allow districts with collective bargaining agreements in place as of October 1, 2013, to provide at least 170 but less than 175 days of instruction and/or to count up to 38 hours of professional development in lieu of instruction until the expiration of that collective bargaining agreement if those provisions are included in the collective bargaining agreement.

The summary above should not be considered a complete description of the content of HB 4295.

Additional information and details on this bill can be found at www.michiganlegislature.org. Also, be reminded that this bill has only been passed by the House; therefore it has not been enacted.

FY 2014 DAYS AND HOURS OF INSTRUCTION

Many districts have contacted the MDE with concerns over the number of canceled days of instruction due to circumstances beyond their control ("snow days") in excess of the 6 days allowed. For FY 2014, the legislation requires that districts provide the greater of 170 days or the number of days provided during the 2009-10 school year. If your district day threshold exceeds 170 days, you may wish to review the Days and Clock Hours report submitted during 2009-10 for accuracy and compare to the threshold for the district in the state's database. To do so, the district can locate their current day threshold by logging into the Days and Clock Hours (D/CH) application hosted by the Center for Educational Performance Information (CEPI) as part of the Educational Entity Master (EEM), which is accessible through the following link: <https://sso.state.mi.us/som/dch-portal/dch-portal>. After logging onto the EEM system, select 'Data Submission' from the left navigation under Days & Clock Hours, and then make selections from the 'Collection' and 'District' drop-down menus and click 'Continue'. The days and hours thresholds will appear in the information box near the top of the screen.

Districts should review their Days and Clock Hours report from 2009-10 (DS-4168) to see if the information submitted was accurate based on the guidance provided in the MDE memo that can be found at the following URL: http://mi.gov/documents/mde/Days_of_Instruction_346913_7.pdf.

Districts can also use the following spreadsheet to help with their recalculation:

http://mi.gov/documents/mde/00000_Name_of_District_DS4168_09_10_DayRecalc_420883_7.xls.

Just follow the directions located under the first tab of the spreadsheet when completing the information.

IMPORTANT DATES TO REMEMBER

- The 4th quarterly count date for **Adult Education** program participants is the 4th Wednesday in April, **April 23, 2014**.
- **March 19, 2014**, is the deadline for ISDs to submit to the Center for Educational Performance and Information (CEPI) the **Audited FTE Counts** for the October 2, 2013, pupil membership count day.
- February 12 was the FY 2014 **Supplemental count** date. The Michigan Student Data System (MSDS) records for the Supplemental count date are due to the CEPI by **March 19, 2014**, and are to be certified by **March 26, 2014**.

GENERAL INFORMATION

- The proration factor for Section 31a - At Risk funding is \$306.5372441438 per pupil.
- The Headlee Obligation for Data Collection funds are being paid at a rate of \$24.7296553852 per pupil.
- The proration factor for Section 22j – Performance Funding is .99822471497

*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