

STATE SCHOOL AID DATA UPDATED FOR MAY

The May state school aid payment is the 8th regular payment of the year and reflects 72.72% 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, May 20, 2013.

Taxable value figures used to calculate the May payment represent the tax year 2012 values provided by county treasurers via the web-based taxable valuation collection process. Any revisions to taxable values received prior to May 1, 2013 were incorporated into the payment calculation. County treasurers should have reported, by May 1, 2013, the taxable valuations as of the date that they settled with the local unit treasurers. 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 2012. Districts may want to contact their county treasurers as well to encourage them to report the revised values if it is apparent that they have not yet done so.

The **membership blend** used to calculate the May payment incorporated all Michigan Student Data System (MSDS) pupil (FTE) counts released to the Department as of May 1, 2013, the date the Department downloaded the pupil counts from the Center for Educational Performance and Information. The following **categoricals** were updated in the May 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 - Section 32d (Pat Sargent, Office of Great Start/ Early Childhood and Family Services, (517) 241-4741, SargentP@Michigan.gov)
- Performance-Based Funding – Section 22j (Phil Boone, Office of State Aid and School Finance, (517) 335-4059, BooneP2@Michigan.gov) (see related item below)

SECTION 22J PERFORMANCE BASED FUNDING

Approximately 350 districts have been receiving the Section 22j Performance-Based Funding for districts that meet prescribed student academic achievement goals. These funds are distributed on a per pupil basis. The Section 22j funds for the October 2012 through the April 2013 payment were calculated using the 2011-12 pupil count. The calculation has been corrected to use the 2012-13 pupil count beginning with the May 2013 payment.

SECTION 23A FUNDS

House Bill 5267 was signed by the Governor on December 22, 2012 and enacted as PA 465 of 2012. Among other things, the act establishes a new Section 23a of the State School Aid Act which allows certain Dropout Recovery Programs to count pupils for school aid. Eligible districts that reported a Section 23a pupil count will see a parenthetical reference to their Section 23a count on the line labeled "Fall 2012" in the upper right hand corner of the May 2013 State School Aid Financial Status Report.

PUBLIC ACT 29 OF 2013 (HOUSE BILL 4471) DAY REQUIREMENT EXEMPTION FOR 2012-13

House Bill 4471 was signed by the Governor on May 16, 2013 and enacted as PA 29 of 2013. It provides an exemption from the instructional day requirement, found in Section 101 of the State School Aid Act, for the 2012-13 school year if **all** of the following apply:

- The failure to meet the day requirement was due to school closings that occurred before April 20, 2013.
- The school closings were due to conditions outside the control of school authorities, such as severe storms, fires, epidemics, utility power unavailability, water or sewer failure, or health conditions.
- The school district provided at least 1,098 hours of pupil instruction.

The hours associated with the first 6 days that school is closed for reasons beyond the administration's control as well as the hours associated with any days granted under a waiver by the State Superintendent can be counted towards the 1,098 hour requirement. Eligible professional development time under Section 101 may also be counted. However, districts may need to reschedule days that do not qualify under this

exemption (such as a day being canceled due to a basketball championship), and any hours not eligible to be "forgiven" until 1,098 hours of instruction have been provided, to avoid penalty.

Districts operating under an alternative education or innovative program waiver of the days and/or hours requirement must abide by the terms of the waiver by providing no less than the minimum number of days and/or hours specified in the waiver. Failure to comply with the terms of the waiver will result in the loss of the waiver. *The day requirement exemption cannot be used in conjunction with these waivers.*

Districts electing to use the provisions contained in this legislation are required to report to the Department the amount of instructional time lost due to closures; the amount of instructional time added to compensate; activities and subject areas addressed during the added time; and other information the Department needs to assess whether the additional instruction was appropriate by July 1, 2013. Information about how these data will be collected will be forthcoming.

Please contact Brian Ciloski at (517) 373-3352 or CiloskiB@Michigan.gov if you have questions related to this item.

INDIRECT COSTS

Current indirect cost rate information is available at:

http://mi.gov/mde/0,1607,7-140-6530_6605-118785--,00.html. The new rate information includes Special Education rates for 2012-2013 and preliminary rate information for 2013-2014. Form R0418a, *Costs for the Development of 2013-2014 Federal Indirect Cost Rates* details the cost data used to calculate preliminary indirect cost rates. Form R0418, *Carryforward Calculation for 2013-2014 Federal Indirect Cost Rates* shows the results of the preliminary calculation. If you would like to adjust the cost data used to calculate your rates, please complete and submit form DS-4513 by June 3, 2013. If you have any questions or comments, please contact Phil Boone at (517) 335-4059 or BooneP2@Michigan.gov.

SECTION 31A AT-RISK PROGRAM REPORTS DUE JULY 15, 2013

Local districts and public school academies receiving fiscal year 2013 funds under Section 31a At-Risk are required to submit the fiscal year 2013 Section 31a Program Report to the Department by **July 15, 2013**. The Section 31a Program Report 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, 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 Section 31a program and reporting requirements, please contact Lee Craft, Section 31a Consultant, Office of Field Services, at (517) 373-6066 or CraftL1@Michigan.gov. If you have MEGS+ related questions, please contact Judy Thelen, Analyst, Office of Field Services, at 517-335-1266 or ThelenJ8@Michigan.gov.

2011-12 DAYS, HOURS, AND ATTENDANCE REQUIREMENTS DEDUCTS

The Department has completed the review of data collected during the 2011-12 school year for compliance with the Days, Hours, and Attendance requirements. The conversion to an automated form has caused a delay this first year.

Districts that in 2011-12 provided fewer than 1,098 instructional hours or fewer than the greater of 165 days or the number of days provided by the district in 2009-10, will receive a letter to that effect and have a short term deduct applied to their upcoming state school aid payment pursuant to language in Section 101 of the State School Aid Act. If a district has incurred both the days and hours deductions, the Department will only apply the greater of the two deductions.

In addition to these required deductions, a district not having at least 75% of the membership in attendance on any day of pupil instruction district-wide shall receive a state aid deduct pursuant to language in Section 101 of the State School Aid Act. If you have questions related to this item, contact Brian Ciloski, State Aid and School Finance, (517) 373-3352 or email: CiloskiB@Michigan.gov.

GENERAL INFORMATION

- The proration factor for Section 31a At-Risk funding is \$309.4305296991 per pupil.
- The Headlee Obligation for Data Collection funds are paid out at a rate of \$24.521339586 per pupil.

*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