

**STATE SCHOOL AID DATA UPDATED FOR MAY**

The May state school aid payment is the 8<sup>th</sup> 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 Friday, May 20, 2016.

**Taxable value** figures used to calculate the May payment represent the tax year 2015 values provided by county treasurers via the web-based taxable valuation collection process. Any revisions to taxable values received prior to May 10, 2016 were incorporated into the payment calculation. County treasurers should have reported by that date 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 2015. Districts may want to contact their county treasurers 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 10, 2016, 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:

- School Lunch - Section 31d (Wendy Crowley, School Support Services, 517-373-0406, [CrowleyW@Michigan.gov](mailto:CrowleyW@Michigan.gov))
- CTE Early Middle College – Section 61b (Althanie Gardner, Office of Career and Technical Education, 517-241-6443, [GardnerA10@Michigan.gov](mailto:GardnerA10@Michigan.gov))
- Financial Analytical Tools - Section 102d (Jeff Kolb, Office of State Aid and School Finance, 517-373-1908, [KolbJ2@Michigan.gov](mailto:KolbJ2@Michigan.gov))
- Postsecondary Enrollment Incentive – Section 64b (Christopher May, State Aid and School Finance, 517-335-1263 [MayC@Michigan.gov](mailto:MayC@Michigan.gov))

**BUDGET ASSUMPTION UPDATE- EARLY WARNING**

Pursuant to Public Act 109 of 2015, each school district and public school academy that has a general fund balance less than 5% of total unrestricted general revenue for either of the 2013-2014 or 2014-2015 school fiscal years is required to submit budget assumptions to the Center for Educational Performance and Information (CEPI).

The Department of Treasury has mailed a letter to school districts and public school academies that are required to submit budget assumptions. The budget assumption data collection period begins June 1, 2016 and is open through July 7, 2016. The Department of Treasury will not declare potential fiscal stress based solely on a school district's or public school academy's budget assumption data.

If you would like more information regarding budget assumptions and early warning, please visit [www.Michigan.gov/OSRFA](http://www.Michigan.gov/OSRFA). If you have any questions, please contact Sam Irrer at 517-335-1009, or by email at [IrrerS3@Michigan.gov](mailto:IrrerS3@Michigan.gov).

**CARRYOVER OF EARLY LITERACY GRANT FUNDS**

Districts or Intermediate School Districts that have received Early Literacy Grant Funds for Additional Instructional Time or Literacy Coaches and are unable to expend the funds by September 30, 2016

are eligible to carryover those funds until September 30, 2017. Grant awardees must provide notification to [MDE-EarlyLiteracy@michigan.gov](mailto:MDE-EarlyLiteracy@michigan.gov) no later than October 31, 2016 if they intend to carryover unexpended funds.

### **INDIRECT COSTS**

The [indirect cost rate](http://mi.gov/mde/0,1607,7-140-6530_6605-118785--,00.html) ([http://mi.gov/mde/0,1607,7-140-6530\\_6605-118785--,00.html](http://mi.gov/mde/0,1607,7-140-6530_6605-118785--,00.html)) information is currently available. The new rate information includes Special Education rates for 2015-2016 and preliminary rate information for 2016-2017. Form R0418a, *Costs for the Development of 2016-2017 Federal Indirect Cost Rates* details the cost data used to calculate preliminary indirect cost rates. Form R0418, *Carryforward Calculation for 2016-2017 Federal Indirect Cost Rates* shows the results of the preliminary calculation. Form DS-4513 allows a district to edit preliminary cost information to reflect more accurate indirect cost rates. Form DS-4513 is due by June 1, 2016. If you have any questions or comments, please contact Phil Boone at 517-335-4059 or [BooneP2@Michigan.gov](mailto:BooneP2@Michigan.gov).

### **SECTION 31A AT-RISK PROGRAM REPORTS DUE JULY 15, 2016**

Local districts and public school academies receiving fiscal year 2016 funds under Section 31a At-Risk are required to submit the fiscal year 2016 Section 31a Program Report to the Department by **July 15, 2016**. The Section 31a Program Report is available in the [Michigan Electronic Grants System Plus \(MEGS+\)](https://mdoe.state.mi.us/MEGSPLUS/) (<https://mdoe.state.mi.us/MEGSPLUS/>). If the report is not submitted by July 15, 2016, 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, 2016. 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 or [CraftL1@Michigan.gov](mailto: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](mailto:ThelenJ8@Michigan.gov).

### **DEFICIT DISTRICT INFORMATION**

Deficit Elimination Plans for districts or academies incurring a negative general fund balance as of June 30, 2016 or whose Board has adopted a 2016-2017 deficit budget are due to the Department 30 days after the local school board adopts the budget or 30 days after the state school aid budget is enacted, whichever is later. Districts having incurred a negative general fund balance as of June 30, 2016 should contact the Office of State Aid and School Finance as soon as possible to begin planning their Deficit Elimination Plan submissions, if they have not already done so. The [Deficit Elimination Plan form](http://www.michigan.gov/mde/0,1607,7-140-6530_6605-106599--,00.html) ([http://www.michigan.gov/mde/0,1607,7-140-6530\\_6605-106599--,00.html](http://www.michigan.gov/mde/0,1607,7-140-6530_6605-106599--,00.html)) is currently available. Questions related to a Deficit Elimination Plan should be directed to Jeff Kolb, Office of State Aid and School Finance, at 517-373-1908 or by e-mail at [KolbJ2@Michigan.gov](mailto:KolbJ2@Michigan.gov) or Chad Urchike at 517-335-1261 or [UrchikeC1@Michigan.gov](mailto:UrchikeC1@Michigan.gov).

### **MAY REVENUE ESTIMATING CONFERENCE**

Leaders from the House and Senate Fiscal Agencies and the State Treasurer will meet for the May Revenue Estimating Conference on May 17, 2016. The purpose of the conference is to reach a consensus on the current fiscal year (2015-2016) revenues and the projected revenues for fiscal year 2016-2017. Both the House and the Senate have released preliminary numbers that show general fund and school aid fund revenues lower than projected at the January conference. It remains to be seen how this will impact the FY 2017 school aid budget. For more information regarding the revenue estimating conference, check the [House Fiscal Agency website](http://www.house.mi.gov/hfa/home.asp) ([www.house.mi.gov/hfa/home.asp](http://www.house.mi.gov/hfa/home.asp)) and/or the [Senate Fiscal Agency website](http://www.senate.michigan.gov/sfa/) ([www.senate.michigan.gov/sfa/](http://www.senate.michigan.gov/sfa/)).

### **GENERAL INFORMATION**

- The proration factor for Section 31a At-Risk funding is \$186.447024374 per pupil.
- The Section 22d(4) Isolated District funds are paid at \$44.1708071904 per pupil.
- The Headlee Obligation for Data Collection funds are paid at \$25.1820081902 per pupil.

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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)