

### **NOVEMBER PAYMENT INFORMATION**

The November state school aid payment is the second fiscal year 2011 payment. The payment will be electronically transferred to the districts' accounts on Monday, November 21, 2011.

**Taxable Value** - The November payment continues to use the *beginning* 2011 tax roll non-PRE (non-Primary Residence Exempt property), and Commercial Personal property taxable value data for the Section 20 foundation calculations, 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/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. Questions concerning taxable value should **first be directed to the appropriate county treasurer**.

**Pupil Membership** - September 2011 unaudited pupil count data received prior to October 31, 2011 were used in the calculation of the blended membership count for the November payment. Otherwise, the estimates that were used in the October payment continue to be used. Please note that the **three-year average membership blend** was calculated for the November payment using either the estimates or the unaudited data, whichever was available. The three-year average blend is used for districts with a current year 10% - 90% blend of less than 1,550 and 4.5 or fewer pupils per square mile for whom the average of the membership blends for fiscal year 2010, fiscal year 2011 and fiscal year 2012 exceeds the current year blend. Districts receiving the three-year blend can see the details of the calculation on page two of the State Aid Financial Status Report.

**Special Education Cost Figures** - The fiscal year 2010 special education and special education transportation cost figures continue to be used in the November payment. The fiscal year 2011 cost reports, which were due this fall, are being audited by the Office of Special Education and Early Intervention Services and will be used to estimate current year costs when the data are released to the Office of State Aid and School Finance. (Dianne Easterling, Special Education and Early Intervention Services, (517) 241-4517, [EasterlingD@Michigan.gov](mailto:EasterlingD@Michigan.gov))

**Updated Categoricals** - The following categoricals were updated in the November 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:

- Special Education - Section 54 (Dianne Easterling, Special Education and Early Intervention Services, (517) 241-4517, [EasterlingD@Michigan.gov](mailto:EasterlingD@Michigan.gov))
- Special Education - Section 51a.1 Tuition Deduct (Dianne Easterling, Special Education and Early Intervention Services, (517) 241-4517, [EasterlingD@Michigan.gov](mailto:EasterlingD@Michigan.gov))
- Special Education - Section 53a (Dianne Easterling, Special Education and Early Intervention Services, (517) 241-4517, [EasterlingD@Michigan.gov](mailto:EasterlingD@Michigan.gov))
- ISD Great Start - Section 32j (Colleen O'Connor, Early Childhood and Family Services, (517) 241-4291, [OconnorC1@Michigan.gov](mailto:OconnorC1@Michigan.gov))
- Great Start Readiness - Section 32d (Jan Fowler, Early Childhood and Family Services, (517) 241-4741, [FowlerJ2@Michigan.gov](mailto:FowlerJ2@Michigan.gov))
- Renaissance Zone - Section 26a (Howard Heideman, Treasury Department, Office of Revenue and Tax Analysis, (517) 373-9002, [HeidemanH@Michigan.gov](mailto:HeidemanH@Michigan.gov))

### **SECTION 147A MPSERS RETIREMENT OFFSET FUNDS**

The school aid amendments for FY 2012 include a **new Section 147a** that appropriates \$155 million for one time payments to districts participating with the Michigan Public School Employees Retirement Service (MPSERS). These funds are to be used solely for the purpose of offsetting a portion of the retirement contributions owed by the district for FY 2012. The amount allocated to each district is based on each participating district's percentage of the total statewide payroll for all participating districts for the state fiscal year ending September 30, 2011. In order to process these funds the Department needed the payroll data for the fiscal year ending September 30, 2011. Those data were received in time to process the Section 147a MPSERS Offset funds in the November payment. The funds appear in the "Current Year Allowances" section of the State Aid Financial Status Report and are labeled "147a MPSERS Cost Offset."

Since these funds are restricted to local districts and public school academies for the purpose of offsetting retirement contributions owed for FY 2012, if the circumstances have changed such that you are no longer participating in MPSERS (i.e. not a participating district as defined in Section 147a), then you are not entitled to the funds and they will need to be returned to the Department. Please notify the Department of that change at your earliest convenience.

Questions related to the MPSERS offset funds should be directed to Glenda Rader, Office of State Aid and School Finance, at (517) 335-0524 or by e-mail at [RaderG@Michigan.gov](mailto:RaderG@Michigan.gov).

### **SECTION 22F BEST PRACTICES FUNDING**

As reported in prior UPDATES, the school aid amendments for FY 2012 include a new Section 22f that allocates \$154 million to be paid out at the rate of \$100 per pupil to districts that meet at least 4 of 5 "best practices" by June 1, 2012. The best practices named are: pay no more than 90% of each employee's health benefits, be the policy holder of all employee health benefit packages, develop or continue service consolidation plans as described in Section 11d of the School Aid Act as in effect for FY 2011, obtain a competitive bid for a non-instructional service valued at more than \$50,000 and provide a dashboard of specific education data to parents and community members. The Department's Financial Best Practices Incentive Guidance indicating the requirements that districts must meet to qualify for the Section 22f funds is available on the Department's website at:

[http://www.michigan.gov/mde/0,1607,7-14-6530\\_6605-258500--,00.html](http://www.michigan.gov/mde/0,1607,7-14-6530_6605-258500--,00.html).

Funds will be distributed to school districts pursuant to the school aid payment schedule beginning with the payment following receipt of the board resolution required by the guidance. Questions related to the best practices incentive should be directed to Glenda Rader, Office of State Aid and School Finance, at (517) 335-0524 or by e-mail at [RaderG@Michigan.gov](mailto:RaderG@Michigan.gov).

More than 200 districts have submitted a resolution. If the resolution was received prior to the calculation of the November payment, Section 22f funding was included in the payment. We will continue to update a report listing the districts that have submitted the resolutions along with the requirements met and the date that the resolutions were received. That report may be found at the following URL:

[http://www.michigan.gov/documents/mde/district\\_resolutions\\_for\\_best\\_practice\\_364369\\_7.pdf](http://www.michigan.gov/documents/mde/district_resolutions_for_best_practice_364369_7.pdf)

### **ACCOUNTING FOR STATE AID AND SCHOOL FINANCE REVENUES**

The Office of State Aid and School Finance provides a document on our website that provides account code information for all State School Aid Revenues. An updated version of the document is posted to the website at: [http://www.michigan.gov/documents/saacct03\\_45776\\_7.pdf](http://www.michigan.gov/documents/saacct03_45776_7.pdf). Please print off a copy of that document for use in accounting for various state aid revenues. Questions related to the document should be directed to Glenda Rader, Office of State Aid and School Finance, at (517) 335-0524 or by e-mail at [RaderG@Michigan.gov](mailto:RaderG@Michigan.gov).

### **DEFICIT ELIMINATION PLANS**

Any district or public school academy that incurred a negative fund balance as of June 30, 2011 must submit to the Department a board adopted Deficit Elimination Plan with a matching fiscal year 2012 budget. Districts with completed FID submissions that indicate deficit status are notified of this requirement. Failure to submit a complete Deficit Elimination Plan by the due dates in that correspondence will result in the withholding of state school aid payments. For further information as well as the required forms, please see the Department's website at [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). Questions may be directed to Jeff Kolb, Office of State Aid and School Finance, (517) 373-1908 or [KolbJ2@Michigan.gov](mailto:KolbJ2@Michigan.gov).

### **WELCOME BRIAN!**

The Office of State Aid and School Finance is very pleased to introduce our newest staff member, Brian Ciloski, who joins us as a Department Analyst. Brian fills the position vacated by Karla Miller and will initially concentrate on issues related to pupil accounting. Brian comes to us from the Department's Bureau of Assessment and Accountability. Brian can be reached at (517) 373-3352 or e-mail [CiloskiB@Michigan.gov](mailto:CiloskiB@Michigan.gov).

### **IMPORTANT DATES TO REMEMBER**

- The **fiscal year 2012 MSDS Records (including State Aid FTE Counts)** for the October 5, 2011 count date were due to the Center for Educational Performance and Information (CEPI) by **November 9, 2011 and are to be certified by November 23**.
- **November 1** was the deadline for local districts (including PSAs) to file their **fiscal year 2011 financial audit reports** with the ISDs. The **financial and pupil accounting reports** were due **November 15** from the ISDs to the Department. (Kathy Weller, (517) 335-6858, [WellerK@Michigan.gov](mailto:WellerK@Michigan.gov)).
- **November 15** was the deadline for local and intermediate districts (including PSAs) to submit the **fiscal year 2011 Annual Comprehensive Financial Report - FID**. (Glenda Rader, (517) 335-0524, [RaderG@Michigan.gov](mailto:RaderG@Michigan.gov)).
- **Proration factors** for November include: Section 31a At Risk 294.1585256, Section 56 Special Ed Millage Equalization .90766695 and Vocational Ed Millage Equalization .947172704.

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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 & School Finance, MDE**, phone: (517) 335-0521, fax: (517) 241-0196, e-mail: [HanrahanD@Michigan.gov](mailto:HanrahanD@Michigan.gov)