

### **NOVEMBER PAYMENT INFORMATION**

The November state school aid payment is the second fiscal year 2012 payment. The payment will be electronically transferred to the districts' accounts on Tuesday, November 20, 2011.

**Taxable Value** - The November payment continues to use the *beginning* 2012 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** – October 2012 unaudited pupil count data received prior to November 7, 2012 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 2011, fiscal year 2012 and fiscal year 2013 exceeds the current year blend. Districts receiving the three-year blend can see the details of the calculation on the State Aid Financial Status Report.

**Special Education Cost Figures** - The fiscal year 2011 special education and special education transportation cost figures continue to be used in the November payment. The fiscal year 2012 cost reports, which were due this fall, are being audited by the Office of Special Education 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 categorical updates 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, Office of Special Education, (517) 241-4517, [EasterlingD@Michigan.gov](mailto:EasterlingD@Michigan.gov))
- Special Education - Section 53a, (Dianne Easterling, Office of Special Education, (517) 241-4517, [EasterlingD@Michigan.gov](mailto:EasterlingD@Michigan.gov))
- Vocational Education Added Cost - Section 61a (Joan Church, Career and Technical Education, (517) 335-0360, [ChurchJ@Michigan.gov](mailto:ChurchJ@Michigan.gov))
- Adult Education - Section 107 (Sandy Thelen, Workforce Development Agency, (517) 373-3395, [ThelenS@Michigan.gov](mailto:ThelenS@Michigan.gov))

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

The November 2012 payment includes funds from Section 147a of the State School Aid Act that appropriates \$155 million for offsetting Michigan Public School Employee Retirement Service (MPSERS) costs. These funds are to be used solely for the purpose of offsetting a portion of the retirement contributions owed by the district for FY 2013. 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, 2012. In order to process these funds the Department needed the payroll data for the fiscal year ending September 30, 2012. Those data were received in time to process the Section 147a MPSERS Offset funds in the November payment (both the October and November installments). 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 2013, 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).

### **INTERMEDIATE SCHOOL DISTRICT BEST PRACTICES FUNDING**

Section 81 of the State School Aid Act has been amended for FY 2013 to add Subsection 81(7) which allocates \$2 million to provide an additional 3.2% of each Intermediate School District's (ISD) Section 81 funding to ISDs that

meet four out of five best practices. The best practices listed in Section 81 are: enter into an agreement with the Department to develop, implement, and report on a Service Consolidation Plan; obtain a competitive bid(s) for the provision of a FY 2013 non-instructional service(s) with a value of at least \$50,000; develop a Technology Plan in accordance with Department policy on behalf of all constituent districts within the ISD that integrates technology into the classroom; provide a dashboard or report card to parents and community members with data as outlined in the legislation; and work in consortium with one or more other ISDs to develop information management system requirements and bid specifications that can be used as statewide models. The Department's Financial Best Practices Incentive Guidance indicating the requirements that ISDs must meet to qualify for the Section 81(7) funds is available on the Department's website at:

[http://www.michigan.gov/mde/0,4615,7-140-6530\\_6605-258500--,00.html](http://www.michigan.gov/mde/0,4615,7-140-6530_6605-258500--,00.html).

Funds will be distributed to ISDs 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 ISD 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).

If the resolution was received prior to the calculation of the November payment, Section 81(7) funding was included in the payment. We will continue to update a report listing the ISDs that have submitted the resolution along with the requirements met and the date that the resolution was received. That report can be found at the URL listed above.

### **CONSOLIDATION OF OPERATIONS OR SERVICES GRANTS**

As reported in prior UPDATES, the school aid amendments for FY 2013 include a new Section 22g which allocates \$10 million to support competitive assistance grants to districts and intermediate districts. These grant funds may be used for reimbursement of transition costs associated with the consolidation of operations or services between 2 or more districts, intermediate districts or other local units of government or the consolidation of districts or intermediate districts. A memo to local and intermediate school districts with the grant criteria was sent on September 13, 2012. The application process is now available through MEGS+. An authorized Official must log into MEGS to initiate the application.

### **DEFICIT ELIMINATION PLANS**

Any district or public school academy that incurred a negative fund balance as of June 30, 2012 must submit to the Department a board adopted Deficit Elimination Plan with a matching fiscal year 2013 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).

### **STATE SCHOOL AID ACT SECTION 25**

Language in Section 25 of the State School Aid Act now allows a district to claim a partial FTE for pupils that transfer from one district to another after the Pupil Membership Count Day. As reported in the October UPDATE, a meeting was held on October 18, 2012 to clarify remaining questions regarding the implementation of this language. Subsequent to that meeting a memo was sent to local and intermediate districts stating that guidance stemming from that meeting was being delayed. It has come to our attention that some have interpreted that memo to say that the implementation of Section 25 was being delayed. That is not the case. Section 25 is still in effect for FY 2013.

### **IMPORTANT DATES TO REMEMBER**

- The **fiscal year 2012 MSDS Records (including State Aid FTE Counts)** for the October 3, 2012 count date were due to the Center for Educational Performance and Information (CEPI) by **November 7, 2012 and are to be certified by November 14.**
- **November 15** was the deadline for local districts (including PSAs) to file their **fiscal year 2012 financial audit reports** with the ISD and the Department. It was also the date for the ISD to file its own **financial report** and the **pupil membership audit reports** for its constituent districts with the Department. (Naomi Krefman, (517) 335-6858, [KrefmanN@Michigan.gov](mailto:KrefmanN@Michigan.gov)).
- **November 15** was the deadline for local and intermediate districts (including PSAs) to submit the **fiscal year 2012 Annual Comprehensive Financial Report - FID**. (Glenda Rader, (517) 335-0524, [RaderG@Michigan.gov](mailto:RaderG@Michigan.gov)).
- **Proration factors** for November: Section 31a At Risk 306.8256492713
- The **Headlee Obligation for Data Collection** funds are being paid out at a rate of \$24.3338128462 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 & School Finance, MDE**, phone: (517) 335-0521, fax: (517) 241-0196, e-mail: [HanrahanD@Michigan.gov](mailto:HanrahanD@Michigan.gov)