



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



JENNIFER M. GRANHOLM
GOVERNOR

MICHAEL P. FLANAGAN
SUPERINTENDENT OF
PUBLIC INSTRUCTION

June 10, 2009

MEMORANDUM

TO: Intermediate and Local School District Superintendents and Public School Academy Administrators

FROM: Carol Wolenberg, Deputy Superintendent *CW*

SUBJECT: Submission of Education Stabilization Grant in MEGS

The ARRA Education Stabilization grant application will be available today in MEGS as promised. However, districts will be able to initiate, **but not submit**, their ARRA Education Stabilization grant application in the Michigan Electronic Grants System (MEGS) due to the need for revised allocations. Submission of the application will be allowed as soon as tentative allocations are determined.

Current estimates predict a potential \$429 million shortfall in the FY2009 school aid budget. In an effort to protect districts against any further unanticipated revenue declines throughout the remainder of this year, the Legislature is considering an appropriation of \$600 million of the federal Education Stabilization funds. This will not result in additional revenue for each district as there will be an equal offsetting reduction to their State Aid payment. The federal Education Stabilization funds are intended to replace the shortfall. Due to federal rules regarding the receipt and related accounting for these federal funds, districts must have sufficient notice of their allocations in order to complete budget amendments and recode expenditures to this funding source.

The tentative allocations will assume an appropriation of \$600 million and will be announced as soon as the Legislature locks in an appropriate dollar amount.

Questions regarding this memo may be directed to the Grants Administration and Coordination Unit, at 373-1806 or mdestabilization@michigan.gov.

cc: William Mayes, MASA
David Martell, MSBO
Dan Quisenberry, MAPSA
Billie Wimmer, MCCA

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608 WEST ALLEGAN STREET • P.O. BOX 30008 • LANSING, MICHIGAN 48909
www.michigan.gov/mde • (517) 373-3324